# Economy | Macro-Cap

## Public investment leads, while fiscal discipline holds

**FY27TD Center (INR4.5t) + states capex (INR1.8t) = INR6.3t, up 23.6% YoY**

- **Public capex remained the key fiscal growth lever in 4MFY27, with the Centre continuing to lead the investment cycle while states retained significant headroom to accelerate spending. Combined public capex remained strong in 4MFY27, with Centre and states together spending INR6.3t, up 23.6% YoY from INR5.1t.**
- **Central capex rose 29.9% YoY to INR4.5t, well ahead of 7.8% growth in revenue expenditure, led by defence (+40%), railways (+28%) and roads (+41%). Transfers to states remained strong at +75%, supporting state-level investment, whereas spending on telecom (-4%) and housing & urban affairs (-30%) declined. In terms of budget utilisation, railways (47%), roads (41%) and transfers to states (40%) are already relatively well advanced, while housing & urban affairs at 17% leaves greater scope for acceleration. The Centre has already utilized 36.9% of its FY27 capex budget, with the current INR1.1t monthly run rate above the INR1.0t required under the Budget.**
- **State capex also remained positive, but growth was uneven. Aggregate state capex increased 10.4% YoY to INR1.8t, while only 16.3% of the FY27BE had been utilized, leaving considerable scope for a pickup in the coming months. Maharashtra (+207.9%) was the standout, followed by Karnataka (+28.7%) and Gujarat (+10.9%). In contrast, capex declined in Madhya Pradesh (-21.2%), Uttar Pradesh (-3.8%) and West Bengal (-52.9%), highlighting the uneven nature of the state investment cycle.**
- **Importantly, the capex push is occurring alongside fiscal consolidation. Stronger receipts and contained revenue expenditure have helped keep deficits manageable: the Centre's fiscal deficit stood at 26.8% of FY27BE in 4MFY27 versus 29.9% a year earlier, while the combined state deficit was 20.6% of FY27BE versus 23.9%. With revenue expenditure growing much slower than capex at both levels, the overall fiscal mix remains supportive of investment-led growth without a significant deterioration in fiscal discipline.**

**Outlook:**

- **The FY27 growth outlook has improved, with stronger-than-expected 1QFY27 GDP growth and resilient July activity supporting our upgrade to 7.0–7.2% real GDP growth, from 6.8–7.0% earlier. Importantly, real fixed investment (11.2% YoY) remained a key growth driver in 1QFY27, with GFCF growth accelerating sharply, and this strength is being reinforced by continued public capex. Central capex rose 23.7% YoY in 1QFY27 and combined Centre and state capex reached INR6.3t in 4MFY27, up 23.6% YoY, indicating that the investment cycle remains firm.**
- **Fiscal policy is therefore likely to remain supportive of investment while broadly preserving the consolidation path. We expect the Centre's fiscal deficit to widen to around 4.6% of GDP in FY27, versus the 4.3% Budget target, reflecting higher subsidies, lower fuel excise collections and modest slip in disinvestment and corporate tax receipts. However, the slippage appears manageable rather than structural, as revenue expenditure remains contained relative to capex and the government continues to protect productive spending.**
- **The stronger growth outlook makes the monetary policy path increasingly relevant. An Oct'26 rate hike remains a possibility if growth and inflation continue to surprise on the upside, although we expect the RBI to remain cautious initially and potentially prepare the ground for a Dec'26 hike. We do see a possibility of 50bps of rate hike by Feb-26 along with liquidity management tools to drawdown the excessive liquidity.**
- **Meanwhile, the fiscal slippage is unlikely to require additional dated G-sec borrowing given the government's financing flexibility. We expect the 10-year G-sec yield to remain range bound 6.9-7.2%, as against the earlier expectation of 6.8-7.0%. The upward revision reflects the hawkishness adopted by the RBI in the MPC policy minutes, hardening of US treasury yields, and still higher global fuel prices.**
- **Crude prices are likely to remain elevated and volatile in the near term, with Brent currently around USD90/bbl amid continued Middle East supply and shipping disruptions. A sustained rise in crude prices could intensify inflationary pressures, particularly through fuel and transport costs, while widening the fiscal and current-account burden, potentially delaying monetary easing and putting upward pressure on G-sec yields. Other downside risks include an adverse monsoon/El Niño, which could weaken rural demand and raise food inflation. A sharper-than-expected domestic inflation pickup could further constrain monetary policy support, while renewed geopolitical escalation remains a key risk to both crude prices and the broader growth outlook.**

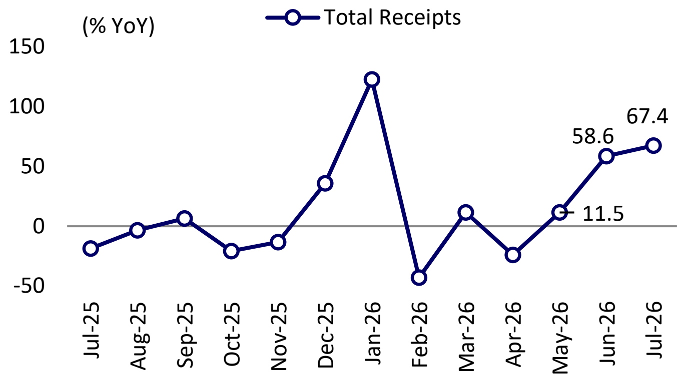
**Radhika Piplani – Research analyst** (Radhika.Piplani@MotilalOswal.com)
**Tanisha Ladha – Research analyst** (Tanisha.Ladha@MotilalOswal.com)

## Centre: Strong revenue growth and capex momentum continue in Jul’26

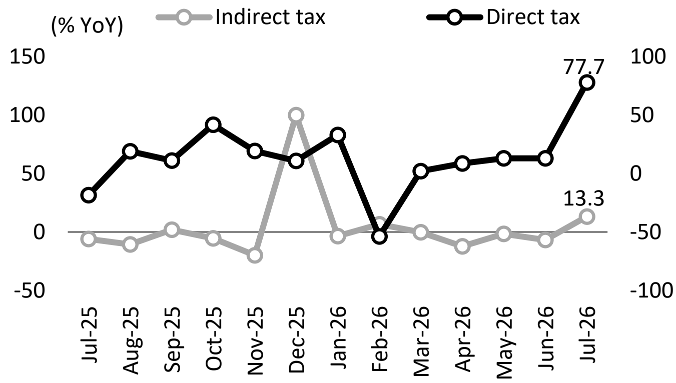
**<u>Key takeaway:</u> The quality of spending remained favorable, with capex rising 53.7% YoY to INR1.1t, while revenue expenditure grew at a slower 9.2% YoY. Strong revenue growth and continued capex spending therefore allowed the Centre to maintain a manageable fiscal deficit while supporting investment-led growth.**

- **The Centre's fiscal position remained supportive in Jul'26, with total receipts rising 67.4% YoY to INR2.6t, driven by broad-based growth in tax and non-tax revenue, as well as higher non-debt capital receipts. Gross tax revenue increased 41.6% YoY in Jul’26, led by a 77.7% YoY jump in direct taxes as income tax collections surging 96.1% YoY and corporate tax increasing 28.2%. Indirect taxes also grew 13.3% YoY in Jul’26, supported by an 18.9% increase in GST and 43.0% growth in customs duty.**
- **Non-tax revenue increased 48.5% YoY to INR0.5t in Jul’26, while non-debt capital receipts more than doubled (+133.4% YoY), further supporting overall receipts. Consequently, net tax revenue rose by a strong 71.2% YoY to INR2.1t in Jul’26.**
- **Expenditure remained capex-led, with total expenditure increasing 18.5% YoY to INR4.0t in Jul’26. Revenue expenditure rose 9.2% YoY to INR2.9t in Jul’26, with interest payments (+32.1% YoY) and subsidies (+28.8% YoY) remaining elevated. In contrast, capital expenditure accelerated 53.7% YoY to INR1.1t, rising 23.7% MoM in Jul’26, reinforcing the government's continued focus on infrastructure-led spending.**
- **The fiscal deficit stood at INR1.5t in Jul'26, lower than INR1.9t in Jul'25, despite an 18.5% YoY increase in total expenditure. The improvement was supported by strong growth in total receipts (+67.4% YoY), which more than offset higher spending.**
- **Overall, July data points to a healthy fiscal mix, with strong revenue mobilization providing room for continued capital spending. The surge in direct tax collections and stable capex growth suggest that the government is supporting growth while keeping the fiscal deficit manageable.**

### Exhibit 1: Total receipts surged in Jul’26

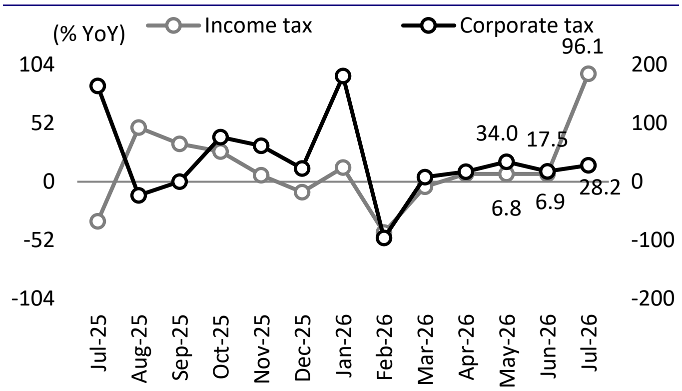



### Exhibit 2: Direct taxes grew 77.7% in Jul’26

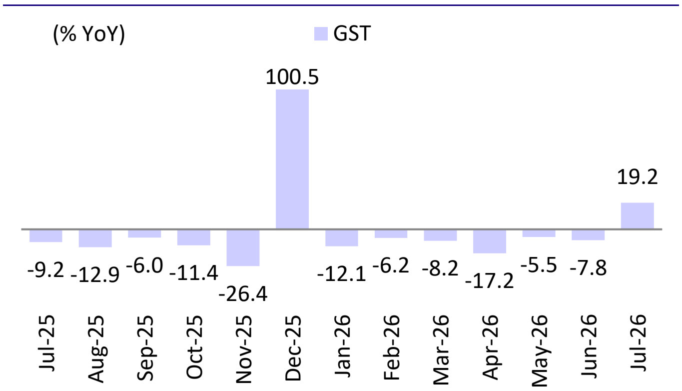



Source: CGA, CEIC, MOFSL

### Exhibit 3: Income tax collections grew 96.1% in Jul’26; corporate taxes grew 28.2%




### Exhibit 4: GST collections grew 19.2% YoY in Jul’26 after contracting for six straight months




Source: CGA, CEIC, MOFSL

**Exhibit 5: Excise collections contracted 24.6% in Jul'26**

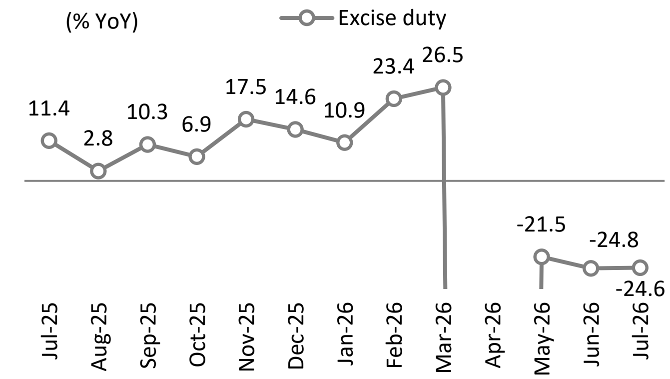
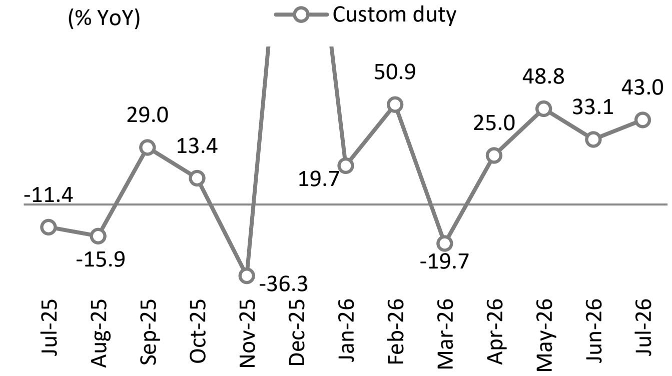



**Exhibit 6: Customs duty collections grew 43% in Jul'26**




Source: CGA, CEIC, MOFSL

**Exhibit 7: Total spending growth at 18.5% in Jul'26**

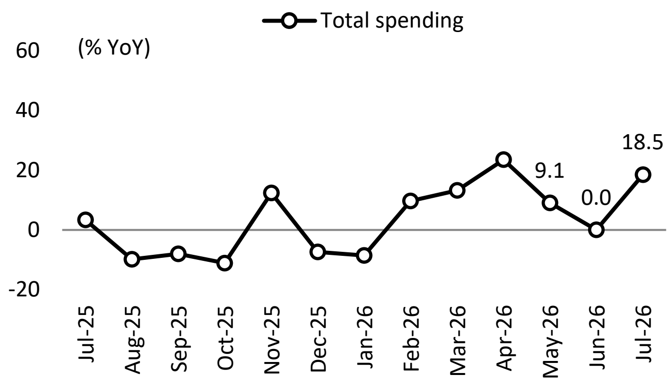
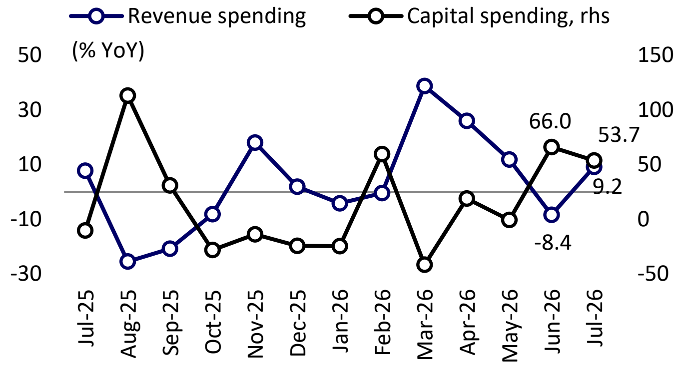



**Exhibit 8: Capital spending jumped 53.7% YoY in Jul'26, while revex grew 9.2%**




Source: CGA, CEIC, MOFSL

**Exhibit 9: Interest payments increased 32.1%, while subsidies posted 28.8% growth in Jul'26**

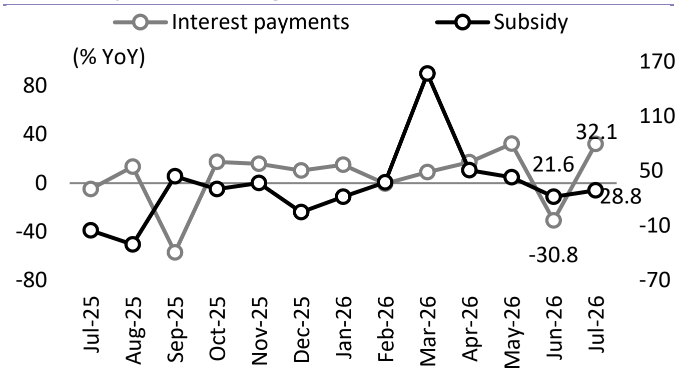
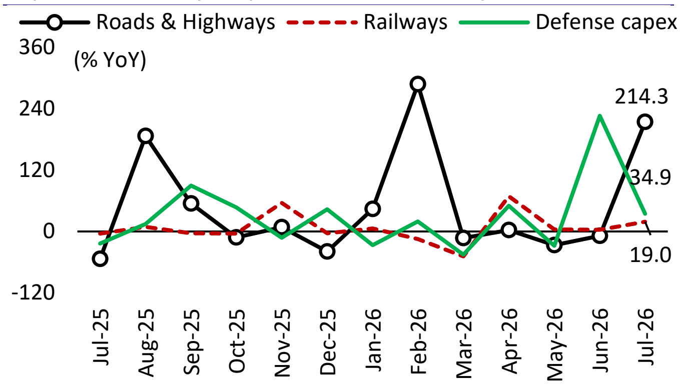



**Exhibit 10: Roads capex grew 214.3% YoY in Jul'26; defense capex and railways capex remained healthy too**




Source: CGA, CEIC, MOFSL

**Exhibit 12: Fiscal details of the Central government for Jul'26 (Monthly)**

| | (INR t) Jul-26 | (INR t) Jul-25 | (INR t) Jun'26 | (% YoY) Jul-26 | (% MoM) Jul-26 |
|---|---|---|---|---|---|
| **Gross tax revenue** | **3.2** | **2.2** | **3.8** | **41.6** | **-15.7** |
| **Direct Taxes** | **1.7** | **1.0** | **2.5** | **77.7** | **-32.4** |
| Corporate Tax | 0.3 | 0.3 | 1.5 | 28.2 | -77.9 |
| Income Tax | 1.4 | 0.7 | 1.0 | 96.1 | 35.6 |
| **Indirect Taxes** | **1.4** | **1.2** | **1.2** | **13.3** | **18.4** |
| Custom | 0.3 | 0.2 | 0.2 | 43.0 | 47.8 |
| Excise Duty | 0.2 | 0.3 | 0.2 | -24.6 | -2.6 |
| GST | 0.9 | 0.8 | 0.8 | 18.9 | 18.0 |
| **Net tax revenue** | **2.1** | **1.2** | **2.9** | **71.2** | **-27.9** |
| **Non Tax revenue** | **0.5** | **0.3** | **0.3** | **48.5** | **69.2** |
| **Non debt capital receipts** | **0.0** | **0.0** | **0.2** | **133.4** | **-73.1** |
| **Total Receipts** | **2.6** | **1.5** | **3.3** | **67.4** | **-22.1** |
| **Total Expenditure** | **4.0** | **3.4** | **4.8** | **18.5** | **-15.0** |
| **Revenue expenditure** | **2.9** | **2.7** | **3.9** | **9.2** | **-23.9** |
| Interest Payments | 0.8 | 0.6 | 1.6 | 32.1 | -51.4 |
| Subsidies | 0.4 | 0.3 | 0.4 | 28.8 | -1.5 |
| **Capital expenditure** | **1.1** | **0.7** | **0.9** | **53.7** | **23.7** |
| Loans Disbursed | 0.3 | 0.3 | 0.3 | -3.9 | -15.7 |
| **Fiscal Deficit** | **1.5** | **1.9** | **1.5** | | |
| **Revenue deficit** | **0.4** | **1.2** | **0.7** | | |
| **Primary deficit** | **0.7** | **1.3** | **-0.2** | | |

Source: CEIC, MOFSL

## Center's finances (FYTD; Apr-Jul'26): Strong receipts allow continued capex push

- **The Centre maintained a healthy fiscal position in 4MFY27**, with total expenditure increasing 12.7% YoY to INR17.6t, moderating from 20.2% YoY growth in 4MFY26. The slower pace of expenditure growth was broadly matched by a strong improvement in total receipts, which increased 19.3% YoY to INR13.1t in 4MFY27, compared with 7.0% YoY growth in 4MFY26. **Consequently, the fiscal deficit stood at INR4.6t in 4MFY27, equivalent to 26.8% of FY27BE, compared with INR4.7t or 29.9% of FY26BE in 4MFY26, indicating that fiscal consolidation remains on track despite continued support for growth through public investment**.
- **The increase in expenditure was primarily driven by capital spending**, which rose 29.9% YoY to INR4.5t in 4MFY27, significantly outpacing the 7.8% YoY growth in revenue expenditure. While capex growth moderated from 32.8% YoY in 4MFY26, the pace remains strong and has been sustained despite elevated geopolitical and commodity price uncertainties. **The Centre has already utilized 36.9% of its FY27 capex budget, while the current capex run rate of INR1.1t per month remains above the INR1.0t monthly run rate required as per the Budget.**
- **Investment composition continues to support growth:** The composition of capex remains encouraging, with roads, railways, defense and transfers to states emerging as the key drivers of investment. In FY27TD, total central capex grew 30% YoY, led by defense (+40%) and railways (+28%), while roads capex also accelerated by 41%. Transfers to states remained strong at +75%, supporting state-level investment, whereas spending on telecom (-4%) and housing & urban affairs (-30%) declined. In terms of budget utilization, railways (47%), MoRTH (41%) and transfers to states (40%) are already relatively well advanced, while housing & urban affairs at 17% leave greater scope for acceleration. **The strong growth in roads, railways, defense and transfers to states, however, keeps the overall capex mix, focused on infrastructure creation and strategic investment.**
- **Revenue expenditure remains contained**: Revenue expenditure increased 7.8% YoY to INR13.1t in 4MFY27, well below the pace of capex growth. Subsidy expenditure rose 35.1% YoY, while interest payments declined 4.5% YoY, helping contain the overall increase in revenue spending. The moderation in revenue expenditure growth relative to capex indicates that the government continues to prioritize productive spending while managing committed expenditure.
- **Receipts provide fiscal cushion:** On the receipts side, total receipts increased 19.3% YoY to INR13.1t in 4MFY27, significantly faster than the 7.0% growth recorded in 4MFY26. The improvement was led by net tax revenue, which increased 27.6% YoY compared with a 7.5% decline in 4MFY26. Direct tax collections rose 23.1% YoY,

supported by strong corporate tax (+20.8%) and income tax (+24.3%) collections. Indirect taxes remained weak, declining 2.1% YoY, mainly due to lower excise duty and GST collections, although customs revenue grew 38.2%. **Non-tax revenue increased 4.8% YoY to INR4.2t, reaching 63.5% of FY27BE.**

- **Non-debt capital receipts increased 31.4% YoY to INR0.4t in 4MFY27, compared with a 366.5% YoY surge in 4MFY26.** The Centre has already achieved 33.1% of its FY27RE, supported by continued progress on disinvestment and other non-debt capital receipts. While the pace of growth has moderated from the exceptionally high base of last year, collections remain ahead of the corresponding period and provide additional support to the government's fiscal position.
- **The improvement was largely driven by an active disinvestment program, with the Center raising around INR212.0b through stake sales in several CPSEs, including Coal India, NHPC, GIC, IRFC and Central Bank of India, along with strategic disinvestment and SUUTI remittances, indicating a strong start to the government's asset monetization program.**
- **The Centre's fiscal deficit stood at INR4.6t in 4MFY27, at 26.8% of FY27BE, lower than 29.9% of FY26BE in 4MFY26.** The revenue deficit stood at just 7.4% of FY27BE, significantly lower than 25.4% of FY26BE in 4MFY26, while the primary deficit remained modest at INR0.3t, compared with INR0.2t in the corresponding period last year, indicating that the underlying fiscal position remains manageable.

**Exhibit 13: Total receipts increased 19.3% in Apr-Jul'26…**

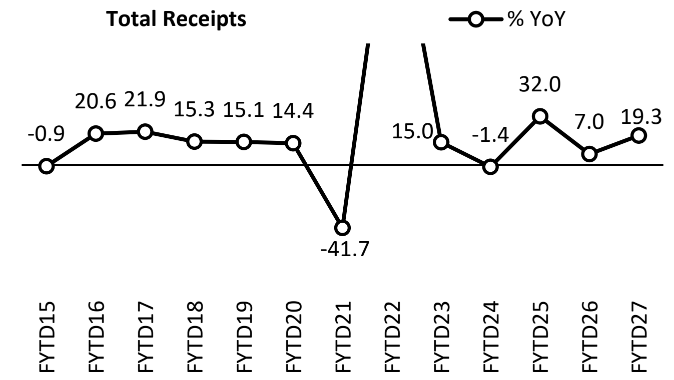



**Exhibit 14: …reaching 37% of FY27BEs**

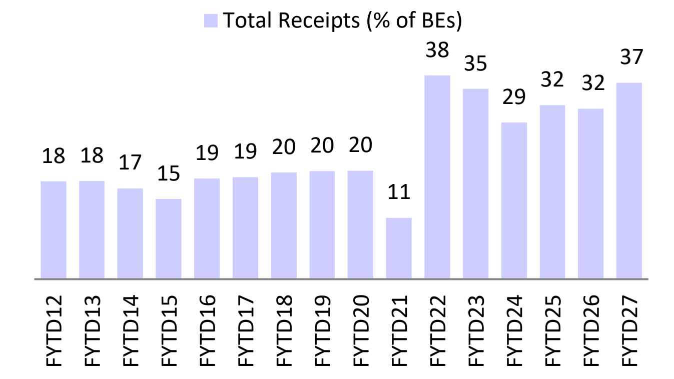



**Exhibit 15: Total spending grew 12.7% YoY in Apr-Jul'26…**

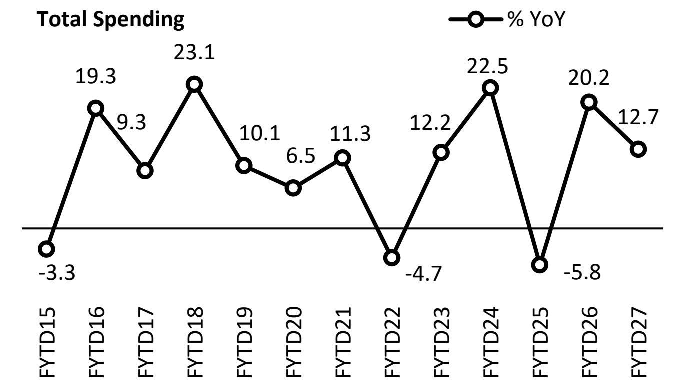



**Exhibit 16: …reaching 32.9% of FY27BEs**

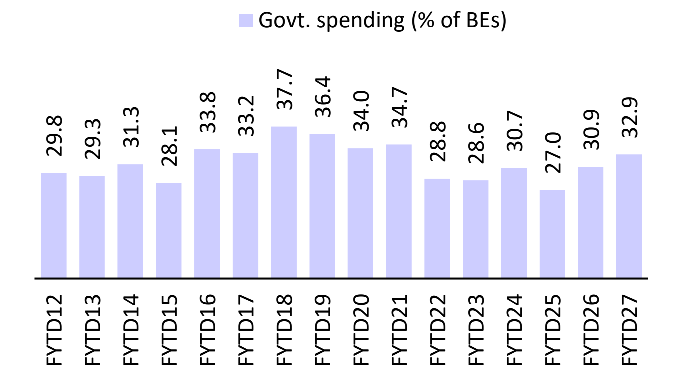


**Exhibit 17: Capital spending grew 29.9% in Apr-Jul'26**

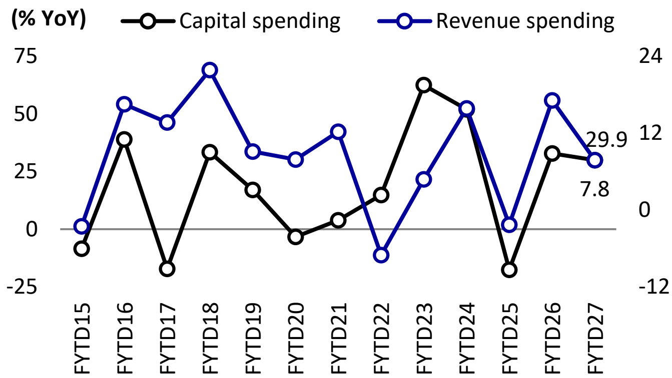



**Exhibit 18: Revex stood at 31.8% of FY27BEs in Apr-Jul'26**

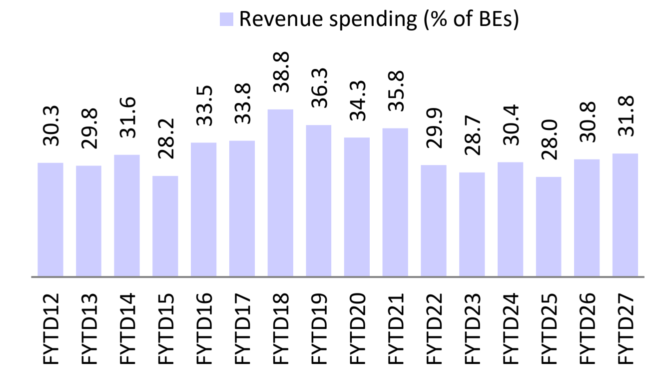



**Exhibit 19: Capex stood at 36.9% of FY27BEs in Apr-Jul'26, higher than 30.9% in Apr-Jul'25**

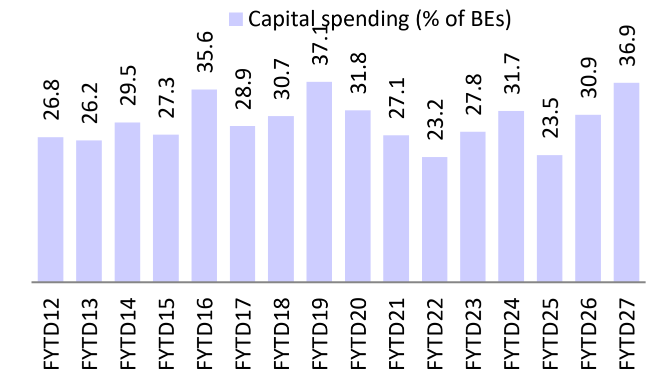



**Exhibit 20: Breakup of the Center's capex in Apr-Jul'26 (%)**

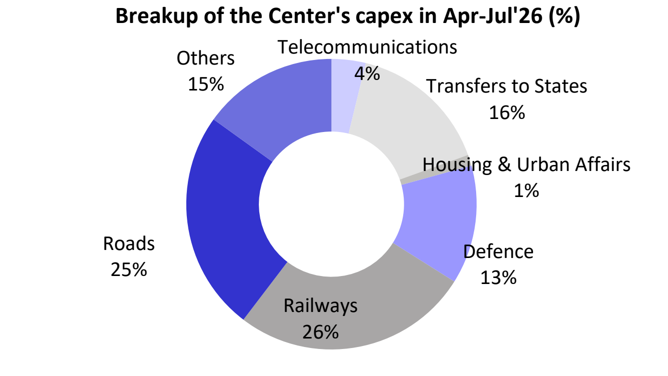



**Exhibit 21: Railways, roads, transfers to state and defense capex remained buoyant**

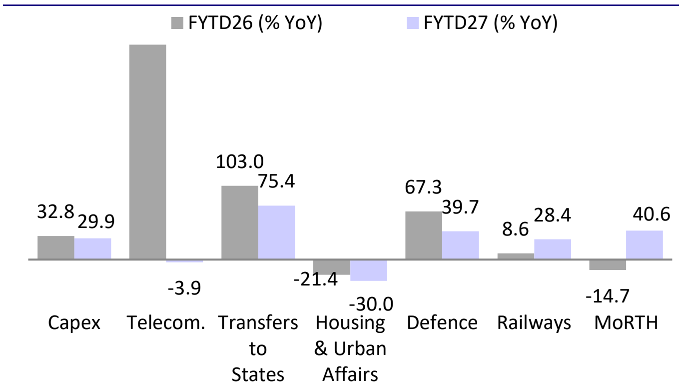
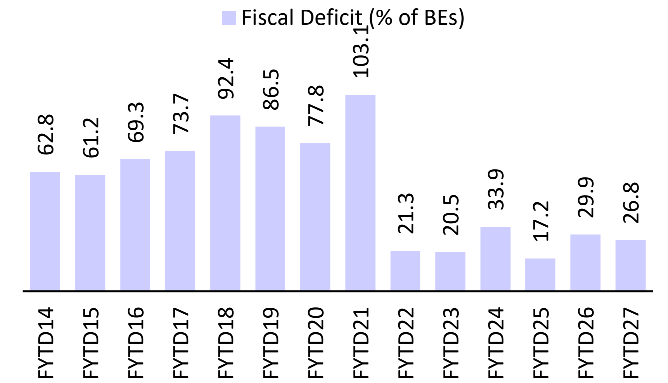



**Exhibit 22: Fiscal deficit stood at 26.8% of BEs in Apr-Jul'26, vs. 29.9% in Apr-Jul'25**




Note: Data is from Apr'26-Jun'26 for all years; Source: CGA, CEIC, MOFSL

Exhibit 23: Fiscal details of the Central government (FYTD basis)

| | (INR t) 4MFY27 | (INR t) 4MFY26 | (INR t) 4MFY25 | % YoY 4MFY27 | % YoY 4MFY26 | (INR t) FY27BE | (% of BE) FY27BE | FY2027 (INR t) Current run rate | Required run rate as per budget | Required run rate for remaining months |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross tax revenue** | **12.2** | **10.9** | **10.8** | **11.4** | **0.8** | **44.0** | **27.7** | **3.0** | **3.7** | **4.0** |
| **Direct Taxes** | **6.8** | **5.5** | **5.8** | **23.1** | **-4.3** | **27.0** | **25.3** | **1.7** | **2.2** | **2.5** |
| Corporate Tax | 2.4 | 2.0 | 1.8 | 20.8 | 7.6 | 12.3 | 19.5 | 0.6 | 1.0 | 1.2 |
| Income Tax | 4.4 | 3.6 | 3.9 | 24.3 | -9.9 | 14.7 | 30.1 | 1.1 | 1.2 | 1.3 |
| **Indirect Taxes** | **5.1** | **5.2** | **4.9** | **-2.1** | **6.7** | **16.8** | **30.4** | **1.3** | **1.4** | **1.5** |
| Custom | 0.8 | 0.6 | 0.7 | 38.2 | -10.4 | 2.7 | 30.8 | 0.2 | 0.2 | 0.2 |
| Excise Duty | 0.6 | 0.8 | 0.8 | -23.1 | 9.3 | 3.9 | 16.6 | 0.2 | 0.3 | 0.4 |
| GST | 3.6 | 3.7 | 3.4 | -5.0 | 9.8 | 10.2 | 34.9 | 0.9 | 0.8 | 0.8 |
| **Net tax revenue** | **8.4** | **6.6** | **7.2** | **27.6** | **-7.5** | **28.7** | **29.5** | **2.1** | **2.4** | **2.5** |
| **Non Tax revenue** | **4.2** | **4.0** | **3.0** | **4.8** | **33.7** | **6.7** | **63.5** | **1.1** | **0.6** | **0.3** |
| **Non debt capital receipts** | **0.4** | **0.3** | **0.1** | **31.4** | **366.5** | **1.2** | **33.1** | **0.1** | **0.1** | **0.1** |
| **Total Receipts** | **13.1** | **11.0** | **10.2** | **19.3** | **7.0** | **36.5** | **35.8** | **3.3** | **3.0** | **2.9** |
| **Total Expenditure** | **17.6** | **15.6** | **13.0** | **12.7** | **20.2** | **53.5** | **32.9** | **4.4** | **4.5** | **4.5** |
| **Revenue expenditure** | **13.1** | **12.2** | **10.4** | **7.8** | **17.1** | **41.3** | **31.8** | **3.3** | **3.4** | **3.5** |
| Interest Payments | 4.3 | 4.5 | 3.3 | -4.5 | 36.2 | 12.7 | 33.5 | 1.1 | 1.1 | 1.1 |
| Subsidies | 1.5 | 1.1 | 1.3 | 35.1 | -9.6 | 4.7 | 32.7 | 0.4 | 0.4 | 0.4 |
| **Capital expenditure** | **4.5** | **3.5** | **2.6** | **29.9** | **32.8** | **12.2** | **36.9** | **1.1** | **1.0** | **1.0** |
| Loans Disbursed | 1.3 | 1.0 | 0.5 | 30.7 | 114.1 | 2.1 | 60.6 | 0.3 | 0.2 | 0.1 |
| **Fiscal Deficit** | **4.6** | **4.7** | **2.8** | | | **17.0** | **26.8** | **1.1** | **1.4** | **1.6** |
| **Revenue deficit** | **0.4** | **1.5** | **0.2** | | | **5.9** | **7.4** | **0.1** | **0.5** | **0.7** |
| **Primary deficit** | **0.3** | **0.2** | **-0.5** | | | **2.9** | **9.8** | **0.1** | **0.2** | **0.3** |

Source: CEIC, MOFSL

## Finances of 23 states (FYTD; Apr-Jul'26)

- **The fiscal position of the 23 states remained broadly stable in 4MFY27, with total receipts rising 4.6% YoY to INR15.9t, compared with 10.7% YoY growth in 4MFY26**. Revenue receipts increased 9.7% YoY to INR13.1t, significantly faster than 2.4% growth in 4MFY26, supported by stronger tax and non-tax collections.
- **Tax revenue increased 11.4% YoY in 4MFY27, compared with 3.0% growth in 4MFY26**, with most major tax heads showing stronger growth. States' own tax revenue remained the key source of strength, rising 11.4% YoY in 4MFY27 vs. 3.0% growth in 4MFY26. SGST collections rose 17.0% YoY, while stamps and registration fees increased 16.4%, sales tax 12.3% and state excise duties 13.5%. The state's share of Union taxes remained broadly stable at INR3.0t, while non-tax revenue increased 24.6% YoY. **However, grants-in-aid declined 24.8% YoY, partly offsetting the improvement in own-source revenue.**
- **Capex growth remains strong:** Total expenditure increased 4.6% YoY in 4MFY27 to INR15.7t, compared with 11.2% YoY growth in 4MFY26. Revenue expenditure rose 3.9% YoY to INR13.9t, moderating from 10.4% growth in 4MFY26. Within revenue spending, interest payments increased 8.0% YoY and pension expenditure rose 10.1%, while salaries and wages remained broadly flat and subsidy expenditure declined 10.8%, helping contain overall revenue expenditure**. Importantly, capex increased 10.4% YoY to INR1.8t in 4MFY27, although the pace moderated from 21.3% YoY growth in 4MFY26**. States have utilized 16.3% of their FY27BE capex target so far, suggesting that capital spending remains relatively moderate at the start of the fiscal year. With only 16.3% of the annual capex budget utilized, there is scope for a stronger pickup in state infrastructure spending over the coming months.
- **State-wise capex remains uneven, with a few large states driving growth:** Maharashtra recorded the strongest increase, with capex rising sharply by 207.9% YoY, while Karnataka and Gujarat also posted healthy growth of 28.7% and 10.9% YoY, respectively. In contrast, capex spending declined in several large states, including Madhya Pradesh (-21.2% YoY), Uttar Pradesh (-3.8% YoY) and West Bengal (-52.9% YoY). The divergence suggests that the overall state capex growth is currently being supported by a relatively narrow set of states, while spending remains subdued elsewhere.

- **Fiscal deficit remains manageable:** The combined fiscal balance of 23 states stood at a deficit of INR2.8t in 4MFY27, narrower than the INR3.2t deficit in 4MFY26. The deficit stood at 20.6% of FY27BE, compared with 23.9% of FY26BE in the corresponding period last year.
- **Overall, the state fiscal position remains manageable, with stronger revenue mobilization helping offset weaker capital receipts. While state capex growth has moderated from the strong pace seen in 4MFY26, the relatively low utilization of the annual capex budget leaves room for a pickup in infrastructure spending and restrained revenue expenditure should help preserve fiscal space.**

**Exhibit 24: Fiscal details of 23 states**

| | (% YoY) | | (INR t) | | (% YoY) | | (INR t) | (% of BEs) |
|---|---|---|---|---|---|---|---|---|
| **23 State Finances** | **Jul-26** | **Jul-25** | **4MFY27** | **4MFY26** | **4MFY27** | **4MFY26** | **FY27BE** | **4MFY27** |
| **Total Receipts** | **5.5** | **7.7** | **15.9** | **15.2** | **4.6** | **10.7** | **66.9** | **23.7** |
| **Revenue Receipts** | **28.4** | **1.2** | **13.1** | **12.0** | **9.7** | **2.4** | **53.0** | **24.8** |
| **Tax Revenue** | **33.0** | **2.9** | **11.3** | **10.2** | **11.4** | **3.0** | **41.5** | **27.3** |
| State Goods and Services Tax | 31.7 | -17.1 | 3.9 | 3.3 | 17.0 | -0.8 | 13.2 | 29.7 |
| Stamps and Registration Fees | 19.2 | -7.5 | 1.0 | 0.9 | 16.4 | 10.1 | 3.4 | 29.6 |
| Land Revenue | 39.2 | -50.4 | 0.1 | 0.1 | 10.5 | 1.2 | 0.3 | 23.6 |
| Sales Tax | 24.1 | -20.0 | 1.5 | 1.3 | 12.3 | 2.6 | 5.1 | 29.2 |
| State Excise Duties | 14.2 | 13.4 | 1.1 | 0.9 | 13.5 | 9.9 | 3.6 | 29.9 |
| State's Share of Union Taxes | 51.0 | -8.3 | 3.0 | 3.0 | 1.0 | 3.8 | 13.0 | 23.3 |
| Other Taxes and Duties | 32.1 | -25.5 | 0.7 | 0.6 | 21.4 | 0.3 | 2.7 | 26.8 |
| Non Tax Revenue | 32.5 | 12.6 | 1.1 | 0.9 | 24.6 | 7.1 | 4.8 | 23.6 |
| Grant in Aid and Contribution | -13.4 | -16.9 | 0.7 | 0.9 | -24.8 | -6.4 | 6.9 | 10.0 |
| **Capital Receipts** | **-53.3** | **28.7** | **2.7** | **3.2** | **-14.7** | **58.6** | **13.7** | **19.9** |
| Recovery of Loans and Advances | -75.2 | 179.2 | 0.0 | 0.0 | -60.5 | 145.3 | 0.3 | 6.5 |
| Other Receipts | -30.5 | 131.4 | 0.0 | 0.0 | -39.6 | -7.1 | 0.2 | 0.1 |
| Borrowings and Other Liabilities | -53.0 | 27.6 | 2.7 | 3.1 | -14.0 | 57.9 | 13.2 | 20.5 |
| **Total Expenditure** | **5.9** | **8.4** | **15.7** | **15.0** | **4.6** | **11.2** | **66.2** | **23.7** |
| **Revenue Expenditure** | **3.9** | **8.9** | **13.9** | **13.4** | **3.9** | **10.4** | **55.0** | **25.3** |
| Interest Payments | -4.1 | 38.6 | 1.7 | 1.6 | 8.0 | 13.6 | 7.0 | 24.9 |
| Salaries and Wages | -6.1 | 14.9 | 3.1 | 3.1 | 0.1 | 5.8 | 10.9 | 28.3 |
| Pension | 2.6 | 8.4 | 2.2 | 2.0 | 10.1 | 6.7 | 6.5 | 34.0 |
| Subsidy | 6.6 | -14.2 | 1.1 | 1.2 | -10.8 | 11.6 | 4.6 | 24.1 |
| **Capital Expenditure** | **18.7** | **6.0** | **1.8** | **1.6** | **10.4** | **21.3** | **11.0** | **16.3** |
| Loans and Advances Disbursed | 61.2 | -46.1 | 0.2 | 0.2 | 3.5 | -24.2 | 1.3 | 14.9 |
| **Fiscal Balance** | | | **-2.8** | **-3.2** | | | **-13.4** | **20.6** |

Source: CEIC, MOFSL; Note: Excluding Punjab, West Bengal, Arunachal Pradesh, Nagaland, and Manipur

| 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 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

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.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

**Specific Disclosures**

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL 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
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does 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 an officer, director or employee of subject company(ies).
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(ies) in the past 12 months.
8. MOFSL 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.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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.



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 |
| Mr. Neeraj Agarwal | 022 40548085 | na@motilaloswal.com |
| Mr. Siddhartha Khemka | 022 50362452 | po.research@motilaloswal.com |

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.