

Economy

Public finance

January 16, 2026

FY2027 Union Budget preview: On an even keel

India's current economic backdrop, shaped by geopolitical tensions and trade uncertainty, warrants a steady, growth-supportive stance in the FY2027 Union Budget. We project FY2027 GFD/GDP at 4.3%, reflecting (1) slowing in fiscal consolidation pace, (2) continued capex momentum, particularly in defense and loans to states, and (3) modest tax buoyancy with a large RBI surplus transfer. Borrowing is likely to be elevated, given large redemption exerting upward pressure across the yield curve.

Fiscal consolidation can ease under the center's debt/GDP target

Center's debt/GDP target of 50±1% by FY2031 implies a modest annual GFD/GDP reduction of 10-20 bps (see Exhibit 1). We project FY2027 GFD/GDP at 4.3% (see Exhibit 2), supported by (1) tax revenue growth of 9% (FY2026E: 4%), (2) expenditure growth of 6% (FY2026E: 5%) and (3) non-tax revenue growth of 4% (FY2026E: 19%). Following income tax relief and GST rate cuts in FY2026, and given the prevailing fiscal constraints, we see a limited scope for any large fiscal stimulus in the FY2027 budget.

Some buoyancy in receipts to support the fiscal

Our FY2027 gross tax revenue growth of 9% is driven by (1) 11% growth in corporate (FY2026E: 9%) and 12% growth in personal income taxes (3%), supported by 10-10.5% nominal GDP growth (8.9%), stronger corporate earnings and moderate wage gains; and (2) strong GST and excise collections, reflecting higher taxes on tobacco. We estimate the RBI's surplus at Rs2.9 tn (FY2026: Rs2.7 tn) due to the continued strength in foreign and domestic receipts (see Exhibit 3). We assume a slight increase in devolution to states, modeling the probable 16th Finance Commission's recommendations, with an upside of Rs800 bn (0.2% of GDP) to revenues if the devolution ratio is unchanged.

Limited room for populism; focus on capex to continue

With multiple fiscal measures announced in FY2026, chances of additional measures seem low in the FY2027 budget. Further, with committed expenditure remaining around 60% of revenue expenditure, room for outright populism is limited without straining the fiscal (see Exhibit 4). While many states have pivoted toward populism, center has remained measured in its approach (see Exhibit 5). We note that some room must be preserved for the implementation of the 8th Pay Commission, likely in FY2028 (see Exhibit 6). We pencil in revenue expenditure growth at 5% and capex growth at 9% (with a focus on defense spending (20% growth) and loans for states' capex) (see Exhibits 7-8).

Slower pace of fiscal consolidation could weigh on bond market

If the equity market risks being disappointed by the absence of large-scale measures/spending, the bond market may likewise be uneasy about the likely increase in market borrowings. We estimate a higher-than-usual gross GSec borrowing of Rs16 tn (FY2026E: Rs14.8 tn), given large redemption and net GSec borrowing of Rs12 tn along with Rs1 tn in T bills; potentially adding pressure across the yield curve (see Exhibit 9).

Summary of key macro metrics for India

	2024	2025	2026E	2027E
Real economy				
Real GDP growth (%)	9.2	6.5	7.8	6.5
Nominal GDP growth (%)	12.0	9.8	8.9	10.1
CPI Inflation (avg., %)	5.4	4.6	2.1	4.1
Public finance				
Consolidated GFD/GDP (%)	8.6	8.4	7.6	7.2
Center's GFD/GDP (%)	5.6	4.8	4.4	4.3
Center's debt/GDP (%)	56	56	56	55
Monetary policy				
Repo Rate (% eop)	6.50	6.25	5.00	5.00
SDF Rate (% eop)	6.25	6.00	4.75	4.75
CRR (% eop)	4.5	4.0	3.0	3.0
External sector				
Current Account Balance (% of GDP)	(0.7)	(0.6)	(1.0)	(1.0)
Brent crude oil price (avg., USD/bbl)	82.9	80.0	66.0	65.0
USD/INR (avg.)	82.8	84.6	88.2	90.8

Source: CEIC, Bloomberg, RBI, Kotak Economics Research estimates

Quick Numbers

We estimate FY2027 GFD/GDP at 4.3%; receipts growth at 5% and expenditure growth at 6%

We pencil in direct tax growth at 12% and indirect tax growth at 4% in FY2027E

We assume revenue expenditure growth at 5% and capital expenditure growth at 9% in FY2027E

Net dated securities borrowings is estimated at Rs12 tn, gross borrowing at Rs16 tn in FY2027E

Related Research

- Economy: CY2026 Outlook: Here comes the
- Economy: India fiscal: Remains steady
- Economy: India fiscal: Fine balance

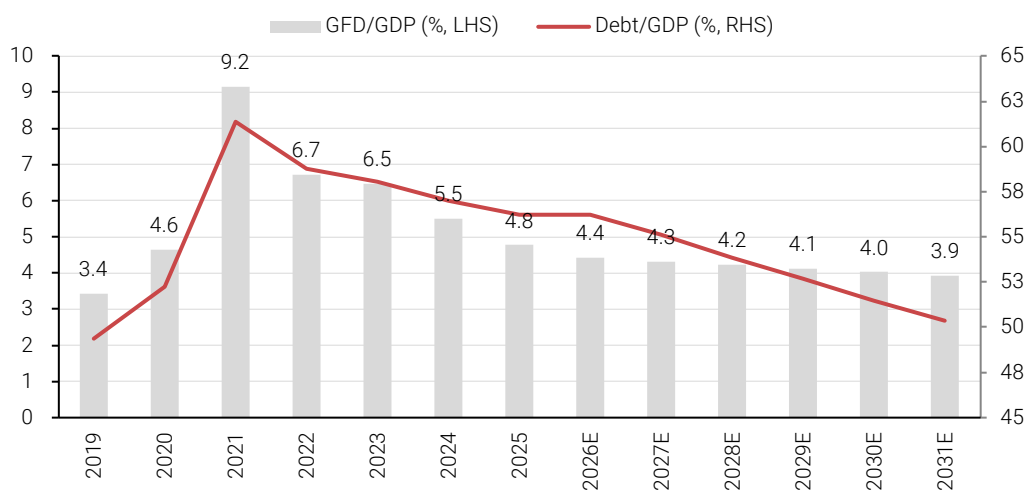
Full sector coverage on KINSITE

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

Upasna Bhardwaj
upasna.bhardwaj@kotak.com
+91-22-6166-0531

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

Harsh Doshi
harsh.doshi1@kotak.com
+91-22-6166 1547

10-20 bps of GFD/GDP reduction should be adequate to achieve debt/GDP target of 50+/-1% by FY2031**Exhibit 1: Debt/GDP path of central government and center's GFD/GDP, March fiscal year-ends, 2019-2031E (%)**

Source: Ministry of Finance, Kotak Institutional Equities estimates

We estimate GFD/GDP at 4.3% in FY2027E

Exhibit 2: Major central government budgetary items, March fiscal year-ends, 2021-27E (Rs bn)

									Change (%)				
	2021	2022	2023	2024	2025P	2026BE	2026E	2027E	2024/ 2023	2025P/ 2024	2026BE/ 2025P	2026E/ 2025P	2027E/ 2026E
Receipts													
1. Revenue receipts (2d + 3)	16,339	21,699	23,832	27,290	30,364	34,204	32,609	33,994	15	11	13	7	4
2. Gross tax revenues (a + b)	20,271	27,093	30,542	34,655	37,952	42,702	39,305	42,722	13	10	13	4	9
2.a. Direct taxes	9,523	14,158	16,723	19,694	22,356	25,351	23,622	26,349	18	14	13	6	12
2.a.1. Corporation tax	4,577	7,120	8,258	9,111	9,868	10,820	10,706	11,884	10	8	10	9	11
2.a.2. Income tax (incl. other taxes)	4,946	7,038	8,464	10,584	12,488	14,531	12,915	14,465	25	18	16	3	12
2.b. Indirect taxes	10,748	12,935	13,819	14,961	15,596	17,351	15,684	16,373	8	4	11	1	4
2.b.1. Goods and Services Tax	5,488	6,981	8,491	9,572	10,265	11,780	9,930	9,857	13	7	15	(3)	(1)
2.b.1.1. CGST	4,563	5,912	7,185	8,206	9,090	10,109	9,000	9,857	14	11	11	(1)	10
2.b.1.2. IGST	73	21	47	(49)	(330)	—	—	—					
2.b.1.3. Compensation cess	852	1,048	1,259	1,414	1,505	1,671	930	—	12	6	11	(38)	
2.b.2. Customs duty	1,348	1,997	2,134	2,331	2,329	2,400	2,254	2,366	9	(0)	3	(3)	5
2.b.2.1. Basic duties	1,065	1,460	1,676	1,775	1,493	1,585	1,463	1,536	6	(16)	6	(2)	5
2.b.2.2. Others	282	537	457	557	836	815	791	830	22	50	(3)	(5)	5
2.b.3. Excise duty	3,897	3,946	3,190	3,054	3,003	3,170	3,500	4,150	(4)	(2)	6	17	19
2.b.4. Service tax	16	10	4	4	(0)	1	1	1	(1)	(104)	(725)	(725)	—
2.c Transfers to states, UTs, etc.	6,008	9,045	9,564	11,383	12,963	14,328	13,108	15,380	19	14	11	1	17
2.d Net tax revenues (2 - 2.c)	14,263	18,048	20,978	23,273	24,989	28,374	26,197	27,342	11	7	14	5	4
3. Non-tax revenues	2,076	3,651	2,854	4,018	5,375	5,830	6,412	6,652	41	34	8	19	4
3.a. RBI's transfer of surplus	600	991	303	874	2,104	2,104	2,686	2,900	188	141	—	28	8
3.b. Telecommunications	455	858	648	907	1,234	824	824	850	40	36	(33)	(33)	3
3.c. Others	1,021	1,802	1,903	2,237	2,038	2,902	2,902	2,902	18	(9)	42	42	—
4. Non-debt capital receipts (a + b)	576	394	722	598	418	760	590	775	(17)	(30)	82	41	31
4.a Recovery of loans	197	247	262	266	246	290	290	325	2	(8)	18	18	12
4.b Other receipts (incl. disinvestments)	379	146	460	331	172	470	300	450	(28)	(48)	173	74	50
5. Total receipts (1 + 4)	16,915	22,093	24,554	27,888	30,782	34,964	33,199	34,769	14	10	14	8	5
Expenditure													
6. Revenue expenditure	30,835	32,009	34,531	34,943	36,035	39,443	38,402	40,198	1	3	9	7	5
6.a. Interest payments	6,799	8,055	9,285	10,639	11,163	12,763	12,763	13,700	15	5	14	14	7
6.b. Subsidies	7,077	4,461	5,310	4,123	3,880	3,834	4,109	4,080	(22)	(6)	(1)	6	(1)
6.b.1. Food	5,413	2,890	2,728	2,118	1,999	2,034	2,034	2,100	(22)	(6)	2	2	3
6.b.2. Fertilizer	1,279	1,538	2,513	1,883	1,737	1,679	1,859	1,800	(25)	(8)	(3)	7	(3)
6.b.3. Oil	385	34	68	122	145	121	216	180	80	18	(16)	49	(17)
6.c. Pay, allowances and pensions	6,711	5,899	6,564	6,857	7,598	7,825	7,825	8,105	4	11	3	3	4
6.c.1.a. Pay and allowances	4,626	3,910	4,148	4,474	4,847	5,059	5,059	5,312	8	8	4	4	5
6.c.1.b. Pensions	2,085	1,989	2,416	2,383	2,751	2,766	2,766	2,794	(1)	15	1	1	1
6.d. Agriculture and farmers' welfare	1,083	1,145	999	1,083	1,299	1,272	1,272	1,348	8	20	(2)	(2)	6
6.e. Education	840	803	972	1,232	1,107	1,286	1,248	1,435	27	(10)	16	13	15
6.f. Health and family welfare	740	787	703	783	856	923	923	1,016	11	9	8	8	10
6.g. Rural development	1,964	1,604	1,768	1,619	1,767	1,878	1,821	1,930	(8)	9	6	3	6
6.h. Others	5,622	9,255	8,931	8,606	8,364	9,661	8,441	8,583	(4)	(3)	16	1	2
7. Capital expenditure	4,263	5,929	7,400	9,492	10,520	11,211	10,586	11,570	28	11	7	1	9
7.a. Defence	1,399	1,448	1,509	1,646	1,706	1,924	1,924	2,309	9	4	13	13	20
7.b. Railways	1,093	1,173	1,593	2,426	2,519	2,520	2,520	2,722	52	4	0	0	8
7.c. Roads and highways	892	1,133	2,060	2,639	2,853	2,722	2,722	2,940	28	8	(5)	(5)	8
7.d. Loans for capex to states	118	142	812	1,096	1,513	1,500	1,500	1,600	35	38	(1)	(1)	7
7.e. Housing and urban affairs	103	259	269	264	316	376	376	400	(2)	20	19	19	6
7.f. Others	657	1,774	1,158	1,422	1,612	2,168	1,543	1,600	23	13	35	(4)	4
8. Total expenditure (6 + 7)	35,098	37,938	41,932	44,434	46,555	50,653	48,988	51,768	6	5	9	5	6
Deficit													
Primary deficit (PD)	11,384	7,790	8,092	5,908	4,609	2,926	3,026	3,300	(27)	(22)	(37)	(34)	9
Revenue deficit (RD)	14,496	10,310	10,699	7,652	5,671	5,238	5,793	6,204	(28)	(26)	(8)	2	7
Gross fiscal deficit (GFD)	18,183	15,845	17,378	16,546	15,773	15,689	15,789	17,000	(5)	(5)	(1)	0	8
Gross market borrowing (dated securities)	12,601	9,684	14,210	15,014	14,005	14,820	14,720	16,078	6	(7)	6	5	9
Net market borrowing (dated securities)	10,329	7,041	11,083	11,778	11,627	11,538	11,438	11,675	6	(1)	(1)	(2)	2
Short-term borrowing (T-bills/WMA)	2,032	774	1,148	532	(1,119)	0	0	1,000					
Nominal GDP	198,541	235,974	268,905	301,230	330,682	356,979	357,139	393,285	12.0	9.8	8.0	8.0	10.1
PD/GDP (%)	5.7	3.3	3.0	2.0	1.4	0.8	0.8	0.8					
RD/GDP (%)	7.3	4.4	4.0	2.5	1.7	1.5	1.6	1.6					
GFD/GDP (%)	9.2	6.7	6.5	5.5	4.8	4.4	4.4	4.3					

Source: Ministry of Finance, Kotak Economics Research estimates

Both domestic and foreign earnings driving higher surplus transfer

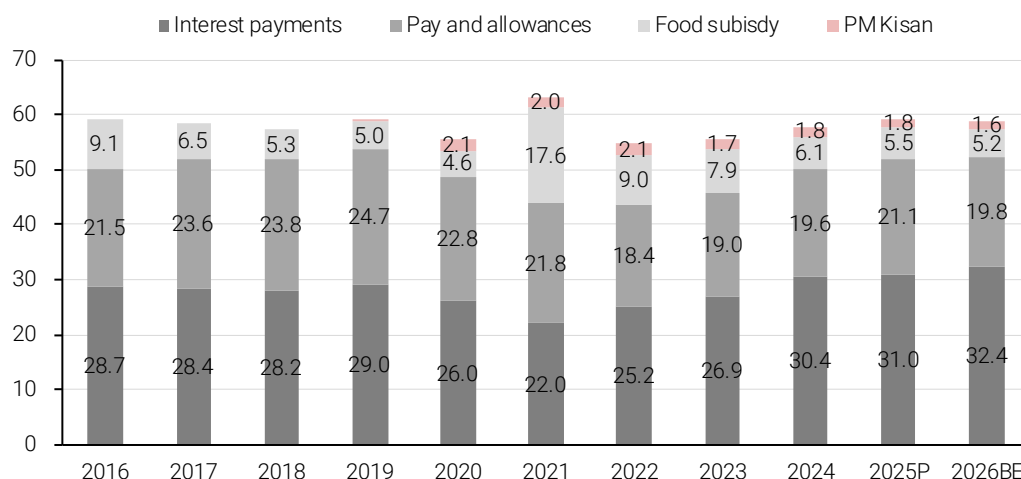
Exhibit 3: Trends in gross income, expenditure and net income, 2019-26E (Rs bn)

	2019	2020	2021	2022	2023	2024	2025	2026E
1. Foreign sources	750	824	807	896	1,521	1,875	2,588	2,643
Interest	458	484	255	327	603	1,032	1,334	1,541
Other earnings	291	340	552	569	918	843	1,255	1,102
2. Domestic sources	1,181	673	526	705	833	881	795	1,097
Interest on rupee securities	583	703	598	964	965	926	855	1,187
Net interest on LAF operations	10	(131)	(180)	(355)	(91)	(71)	(47)	(50)
Interest on MSF/SDF/others	16	37	17	15	(47)	(1)	(35)	(65)
Other income	571	63	90	81	6	27	21	25
3. Total income (gross) (1+2)	1,930	1,497	1,333	1,601	2,355	2,756	3,383	3,740
4. Total expenditure	170	925	341	1,298	1,480	647	697	824
Printing cost	48	44	40	50	47	51	64	70
Agency charges	39	39	33	44	41	40	37	40
Employee cost	69	89	48	39	60	79	91	105
Provisions	1	736	207	1,147	1,309	428	449	544
Others	14	17	14	19	24	49	57	65
Net disposable income	1,760	571	991	303	874	2,109	2,686	2,916
Transfer of surplus to government	1,760	571	991	303	874	2,109	2,686	2,916

Source: RBI Annual Reports, Kotak Economics Research estimates

Committed spending constitute around 60% of revenue expenditure

Exhibit 4: Share of major committed spending areas in revenue expenditure, March fiscal year ends, 2016-26BE (%)



Source: Ministry of Finance, Kotak Economics Research

Multiple state governments have launched women-focused schemes over the past few years

Exhibit 5: Cash transfer based women schemes in select states

	State	Annual transfer	Estimated cost	
		(Rs)	(Rs bn)	(% of GSDP)
Aadabidda Nidhi	Andhra Pradesh	18,000	198	1.2
Orunodoi Scheme	Assam	15,000	56	0.9
Mahila Rojgar Yojana	Bihar	10,000	75	0.8
Mahtari Vandan Yojana	Chattisgarh	12,000	84	1.5
Mahila Samridhi Yojana	Delhi	30,000	60	0.5
Lado Lakshmi Yojana	Haryana	25,200	200	1.6
Pyari Behna Sukh-Samman Nidhi Yojana	Himachal Pradesh	18,000	4	0.2
Mukhyamantri Maiya Samman Yojana	Jharkhand	30,000	171	3.3
Gruha Lakshmi Scheme	Karnataka	24,000	264	0.9
Ladli Behna Yojana	Madhya Pradesh	15,000	194	1.3
Majhi Ladki Bahin Yojana	Maharashtra	18,000	473	1.0
Subhadra Yojana Kalaighar	Odisha	10,000	118	1.3
Magalir Urimai Scheme	Tamil Nadu	12,000	137	0.4
Mahalakshmi Scheme	Telengana	30,000	300	1.8
Lakshmi Bhandar Scheme	West Bengal	13,200	277	1.5
TBD	Punjab	12,000	TBC	TBC
Aggregate		17,465	2,611	0.8

Notes:

(a) Budgeted costs likely to be lower than estimated costs.

(b) Estimated costs based on number of beneficiaries as per media reports.

Source: Media reports, Kotak Economics Research estimates

Fiscal impact from pay commissions has been 0.5%-0.8% of GDP

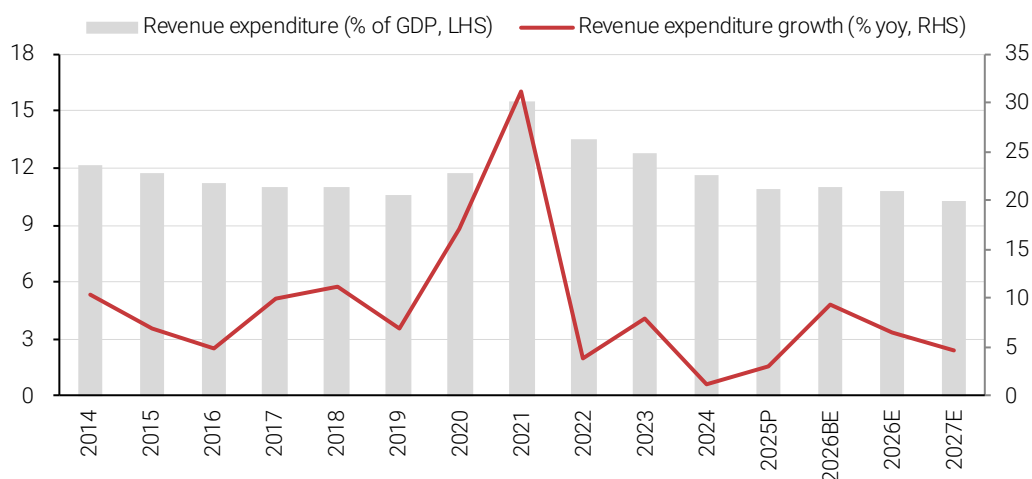
Exhibit 6: Summary of Pay Commissions in India

4th Pay Commission (1986)		5th Pay Commission (1996)	
Dates		Dates	
Date of implementation (legal)	1-Jan-86	Date of implementation (legal)	1-Jan-96
Date of Commission announcement	26-Jul-83	Date of Commission announcement	1-Sep-93
Date of Committee formation	1-Sep-83	Date of Committee formation	9-Apr-94
Date of report submission	Jun-86 - May-87	Date of report submission	30-Jan-97
Date of report acceptance/implementation	19-Sep-86	Date of report acceptance/implementation	24-Oct-97
Implications		Implications	
Fiscal impact (Rs bn)	19	Fiscal impact (Rs bn)	128
- Pay and allowances (Rs bn)	13	- Pay and allowances (Rs bn)	76
- Pensions (Rs bn)	3	- Pensions (Rs bn)	12
- Arrears, est. (Rs bn)	3	- Arrears (Rs bn)	40
Nominal GDP (Rs bn, FY1987)	3,184	Nominal GDP (Rs bn, FY1998)	15,453
Fiscal impact w/o arrears (% of GDP)	0.5	Fiscal impact w/o arrears (% of GDP)	0.6
Fiscal impact (% of GDP)	0.6	Fiscal impact (% of GDP)	0.8
6th Pay Commission (2006)		7th Pay Commission (2016)	
Dates		Dates	
Date of implementation (legal)	1-Jan-06	Date of implementation (legal)	1-Jan-16
Date of Commission announcement	20-Jul-06	Date of Commission announcement	25-Sep-13
Date of Committee formation	5-Oct-06	Date of Committee formation	28-Feb-14
Date of report submission	24-Mar-08	Date of report submission	19-Nov-15
Date of report acceptance/implementation	14-Aug-08	Date of report acceptance/implementation	29-Jun-16
Implications		Implications	
Fiscal impact (Rs bn)	306	Fiscal impact (Rs bn)	1,142
- Pay and allowances (Rs bn)	108	- Pay and allowances (Rs bn)	684
- Pensions (Rs bn)	18	- Pensions (Rs bn)	337
- Arrears (Rs bn)	181	- Arrears (Rs bn)	121
Nominal GDP (Rs bn, FY2009)	55,142	Nominal GDP (Rs bn, FY2017)	153,917
Fiscal impact w/o arrears (% of GDP)	0.2	Fiscal impact w/o arrears (% of GDP)	0.7
Fiscal impact (% of GDP)	0.6	Fiscal impact (% of GDP)	0.7

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

Revenue expenditure growth likely to be at 5% yoy in FY2027

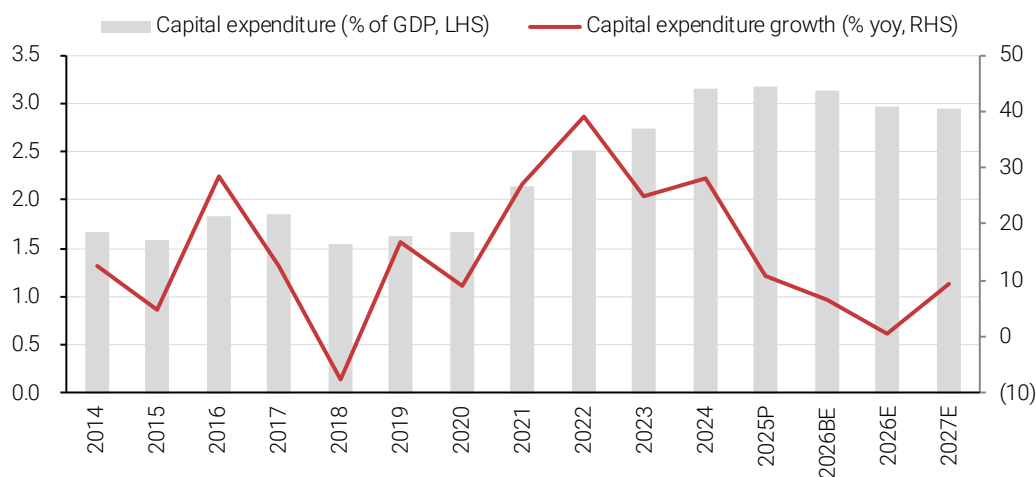
Exhibit 7: Revenue expenditure as a share of GDP and yearly growth, March fiscal year ends, 2014-27E



Source: Ministry of Finance, Union Budgets, Kotak Economics Research estimates

Capital expenditure growth likely to be at 9% yoy in FY2027

Exhibit 8: Capital expenditure as a share of GDP and yearly growth, March fiscal year ends, 2014-27E



Source: Ministry of Finance, Union Budgets, Kotak Economics Research estimates

Gross borrowing will be a higher-than-usual given redemption pressure

Exhibit 9: Financing of central government's fiscal deficit, March fiscal year-ends, 2019-27E (Rs bn)

	2019	2020	2021	2022	2023	2024	2025P	2026BE	2027E
Gross fiscal deficit	6,494	9,337	18,183	15,845	17,378	16,546	15,773	15,689	17,000
- Net market borrowing (dated securities)	4,233	4,681	10,329	7,041	11,083	11,778	11,627	11,538	11,675
- Small savings	1,250	2,400	4,837	5,513	3,959	4,514	4,207	3,434	3,400
- T-bills	69	1,560	2,032	774	1,148	532	(1,119)	—	1,000
- Cash balance	(13)	50	(72)	25	(16)	8	953	25	25
- State PF	161	116	185	103	51	51	49	50	50
- External financing	55	87	702	361	371	551	473	235	250
- Others	740	443	169	2,027	783	(887)	(417)	407	600
Gross market borrowing (dated securities)	5,715	7,041	12,601	9,684	14,210	15,014	14,005	14,820	16,078

Source: Ministry of Finance, Kotak Economics Research estimates

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

Ratings and other definitions/identifiers

Definitions of ratings

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

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

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

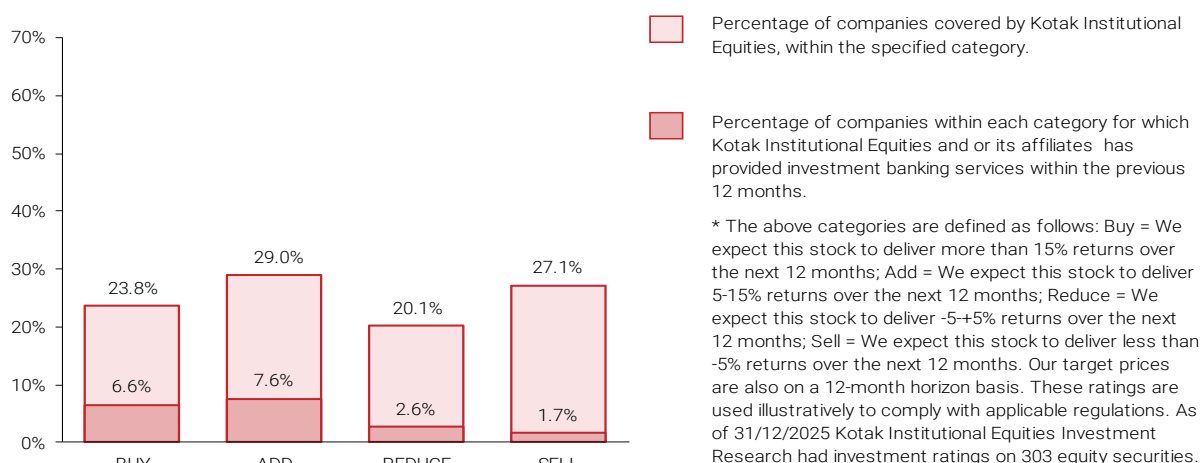
SELL. We expect this stock to deliver <-5% returns over the next 12 months.

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

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

Distribution of ratings/investment banking relationships

Kotak Institutional Equities Research coverage universe



Source: Kotak Institutional Equities

As of December 31, 2025

Coverage view

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

Other ratings/identifiers

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

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

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

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

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

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

Corporate Office

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

Overseas Affiliates

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

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

Copyright 2026 Kotak Institutional Equities (Kotak Securities Limited). All rights reserved.

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

1. Note that the research analysts contributing to this report are residents outside the United States and are not associates, employees, registered or qualified as research analysts with FINRA or a US-regulated broker dealer; and

2. Such research analysts may not be associated persons of Kotak Mahindra Inc. and therefore, may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Analyst Certification

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

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

Additional information on recommended securities is available on request.

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

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

Registration granted by SEBI, enlistment with BSE and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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

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

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com/ www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-629-2021. Compliance Officer Details: Mr. Hiren Thakkar. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com

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

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

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

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

***General Terms and Conditions for Usage of AI/ML in Research Services** These Terms and Conditions ("T&C's") govern the use of research services provided by Kotak Securities Limited ("KSL"), where Artificial Intelligence (AI) and Machine Learning (ML) technologies are used as part of the research presentation and related services. By accessing or using such services, you acknowledge and agree to the following: **1. Purpose of AI/ML Usage** KSL employs AI/ML based tools for limited purposes such as • Audio and video generation using AI-created voices, avatars, and formats; • Enhancing accessibility and presentation of research insights; • Facilitating efficiency in dissemination of market related content and research content. The AI/ML tools are used only as a medium of presentation and/or dissemination and do not alter the substance of research prepared by KSL. **2. Extent of Usage** The specific scope and manner of AI/ML usage in research services is set out in the AI Disclaimer published along with the relevant research content and is also published on the website under the disclaimers section. Users are advised to carefully review such disclaimers for detailed information on the extent and limitations of AI/ML usage as may be updated by KSL from time to time in the disclaimer section <https://www.kotaksecurities.com/disclaimer/>. **3. Ownership of Research Content** The underlying research, market views, data, analysis, and opinions remain solely those of KSL. AI/ML is not used to create independent investment recommendations. **4. Accuracy and Limitations** While KSL takes reasonable care to ensure the accuracy of its research content: • AI/ML outputs may not always reflect complete, precise, or contextually appropriate information; • KSL makes no warranties, express or implied, as to the reliability, accuracy, or fitness of AI/ML generated presentations. **5. No Confidential Information Input** KSL does not upload, disclose, or process any client specific, confidential, or proprietary information through AI/ML platforms. All content generated through AI/ML is limited to publicly available information, market data, and internally developed research compliant with SEBI regulations. **6. Investor Responsibility** Clients and viewers shall not rely solely on AI generated content for making any investment or trading decisions. The AI/ML generated presentations, output and dissemination are only for informational and illustrative purposes. Investors are further advised to consult their financial advisor before making any investment or trading decisions. **7. No Liability** KSL shall not be responsible for or liable for any losses, damages, or claims arising directly or indirectly from reliance on AI/ML generated presentations or any output produced by the AI/ML. KSL shall not be liable for any loss, damage, or harm, whether direct, indirect, incidental, special, consequential, or punitive, arising from: • reliance on any AI-generated information; • business, financial, or investment decisions made based on such outputs; or • any inaccuracies, errors, or omissions in the responses. **8. Amendments** KSL reserves the right to modify, update, or withdraw these T&C's or its usage of AI/ML technologies at its sole discretion, subject to compliance with applicable laws and regulations"

Disclaimer: <https://bit.ly/DisclaimerKSLResearch>

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

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137/(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-629-2021. Compliance Officer Details: Mr. Hiren Thakkar. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com

"In case you require any clarification or have any query/concern, kindly write to us at Service.securities@kotak.com. For grievances write to KS.escalation@kotak.com and find Grievances Escalation matrix in the link below."

<https://www.kotaksecurities.com/disclaimer/>