

Decoding consumption trends: Consumption demand decelerating

Likely to dwindle further in the coming months

- An analysis of 12 rural consumption indicators suggests that rural spending rose 5.3% YoY in 9MFY23 v/s 0.6% YoY growth in 9MFY22. However, consumption grew at a three-quarter low of 4.6% YoY in 3QFY23 v/s 6.5%/5.6% YoY rise in 1Q/2QFY23.
- The slowdown was primarily led by: a) four-quarter low growth in real agriculture GVA, b) continued fall in non-agricultural wages, c) sharp slowdown (nine-quarter low growth) in two-wheeler sales, d) continued decline in farmers' terms of trade (negative for eight quarters now), e) drop in real farm exports (first decline in 10 quarters) and f) three-quarter low growth in real farm credit in 3QFY23.
- An analysis of nine urban consumption indicators suggests that the sector grew slowly by 11.5% YoY in 9MFY23, following a 12.4% YoY growth in 9MFY22. It is estimated to have increased 6.6% YoY in 3QFY23 v/s 18%/10.9% YoY rise in 1Q/2QFY23. Three among the nine indicators – real non-farm consumer imports, real non-farm GVA and IIP for consumer durable goods – witnessed a slowdown. Others such as real salaries of BSE500 employees, domestic PV sales, real personal credit and petrol consumption posted higher growth.
- A close look at the farm sector suggests a mixed bag. While rainfall, wages of farm/non-farm workers and farmers' terms of trade continue to lag, fiscal spending, Rabi sowing and water reservoir level appear to be performing well.
- Overall, consumption demand has started its southward journey. Both rural and urban consumption grew at a three-quarter low in 3QFY23. Going ahead, though the central government continues to focus on the rural sector, weak income growth combined with higher interest rates could bring down overall consumption demand further. Data released from the CSO also reveals collapse in total consumption to 2.1% YoY in 3QFY23.

Rural consumption was strong in 9MFY23...: An analysis of 12 proxy indicators¹ suggests that rural spending grew 5.3% YoY in 9MFY23 v/s 0.6% YoY in 9MFY22 and an average growth of 4.9% YoY over 9MFY17-9MFY19 (*Exhibit 1*). A faster growth in six out of 12 indicators resulted in the quicker 9MFY23 growth. Real agriculture GVA, tractor sales, two-wheeler and fertilizer sales as well as real fiscal rural spending reported higher growth. While the former two grew at a slightly faster pace, the latter three exhibited strong growth in 9MFY23 (v/s contractions visible in 9MFY22; *Exhibit 2*).

Exhibit 1: Rural consumption spiked 5.3% YoY in 9MFY23 as against 0.6% YoY in 9MFY22...

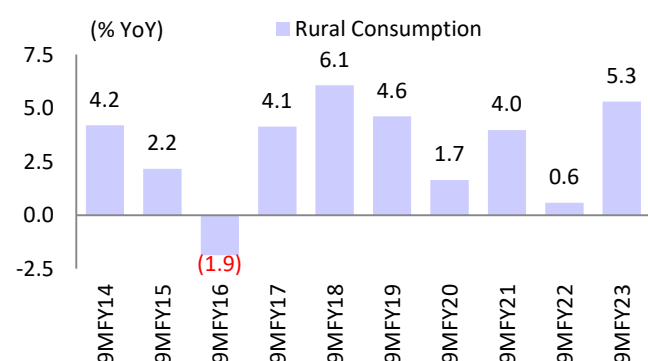
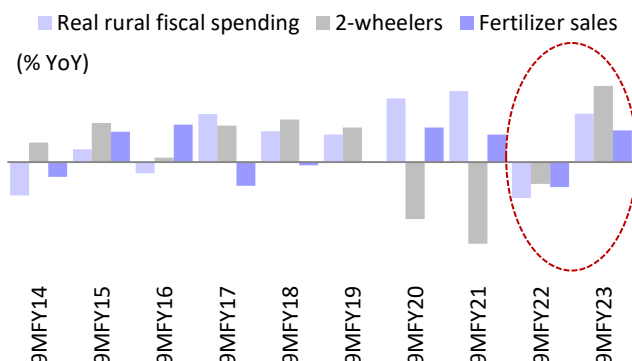


Exhibit 2: ...fueled by growth in real fiscal spending, two-wheelers and fertilizer sales v/s contractions in 9MFY22



Source: Various national sources, CEIC, MOFSL

¹Including: 1) Real agri wages, 2) Real non-agri wages, 3) Two-wheeler sales, 4) Farm terms of trade, 5) Tractor sales, 6) Real agri exports, 7) Fertilizer sales, 8) Real agri credit, 9) IIP food products, 10) Reservoir levels, 11) Fiscal real rural spending, and 12) Real farm GVA

Nikhil Gupta – Research Analyst (Nikhil.Gupta@MotilalOswal.com)

Yaswi Agarwal – Research Analyst (Yaswi.Agarwal@motilaloswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

...because of decent growth in 1Q/2QFY23 while 3QFY23 consumption

decelerated: Rural consumption grew only 4.6% YoY in 3QFY23 after rising 6.5%/5.5% YoY in 1Q/2QFY23, respectively (*Exhibit 3*). The slowdown in the last quarter was in contrast to three-quarter high growth in real farm GVA during the quarter (*Exhibit 4*).

Exhibit 3: Rural consumption grew at a three-quarter low in 3QFY23...

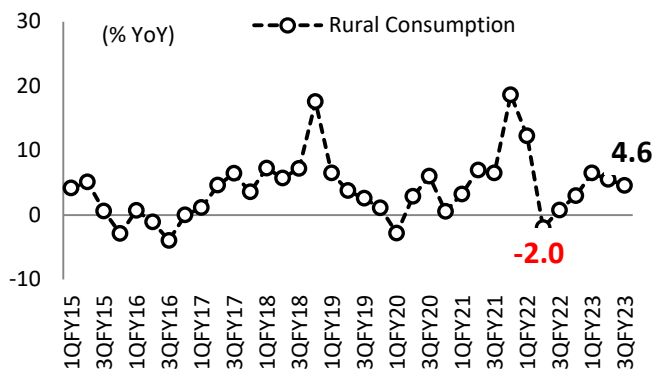
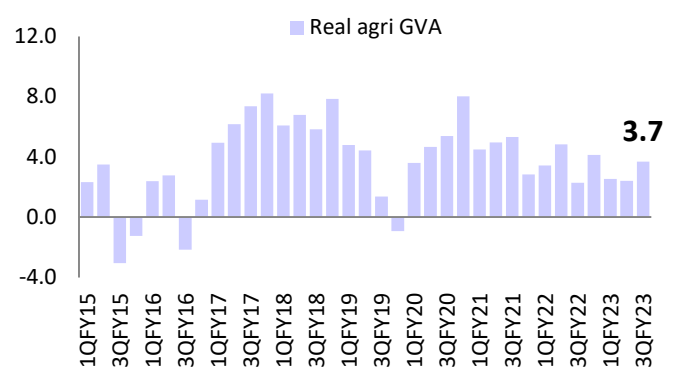


Exhibit 4: ...in contrast to a three-quarter high growth in real farm GVA during the quarter



Source: Various national sources, CEIC, MOFSL

The slowdown in 3QFY23 was primarily led by: a) four-quarter low growth in real agriculture GVA, b) continued fall in non-agricultural wages, c) sharp slowdown (nine-quarter low growth) in two-wheeler sales, d) continued decline in farmers' terms of trade (negative for eight quarters now), e) drop in real farm exports (first decline in 10 quarters) and f) three-quarter low growth in real farm credit in 3QFY23 (*Exhibit 5*).

Exhibit 5: Rural consumption rose decently in 9MFY23 fueled by strong growth in 1Q/2QFY23 while 3QFY23 decelerated

Rural consumption indicators	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	9MFY19	9MFY20	9MFY21	9MFY22	9MFY23
Nom agri GVA	2.3	4.1	2.5	2.4	3.7	3.2	4.6	5.0	3.3	3.0
Real agri wages	2.0	(0.6)	(0.4)	(0.6)	0.8	2.8	(2.3)	(0.4)	1.0	(0.1)
Real non-agri wages	1.2	(1.0)	(1.3)	(1.4)	(0.7)	2.2	(2.5)	0.4	(0.2)	(1.1)
Two-wheelers	(24.8)	(23.0)	54.4	13.6	7.2	9.6	(15.8)	(22.6)	(6.1)	21.0
Terms of trade	(13.2)	(9.8)	(13.7)	(11.7)	(12.6)	(6.5)	6.2	8.1	(11.6)	(12.7)
Tractors sales	(9.5)	(21.6)	17.4	4.0	7.2	14.4	(9.9)	15.9	5.6	9.6
Agri exports	17.7	3.3	15.0	2.6	(13.0)	(2.3)	(14.2)	3.0	20.8	1.3
Fertilizer sales	(11.9)	24.6	6.8	4.3	14.8	0.1	9.5	7.6	(6.9)	8.7
Agri credit	9.0	3.6	6.1	5.3	4.9	6.9	(2.0)	5.3	9.0	4.9
IIP: food products	1.0	2.7	6.2	0.9	2.8	11.8	5.7	(5.2)	7.3	3.3
Reservoir	(2.7)	5.0	2.2	21.4	9.3	5.9	22.9	11.1	(5.1)	12.5
Fiscal Spending	37.9	48.4	(17.5)	25.4	30.5	7.6	17.6	19.7	(9.9)	13.4
Rural Consumption*	0.7	3.0	6.5	5.5	4.6	4.6	1.7	4.0	0.6	5.3

*Simple average of indicators

Nominal data deflated by CPI for agricultural workers (CPI-AW)

Source: Various national sources, CEIC, MOFSL

Urban consumption grew slowly in 9MFY23.... Urban consumption² – compiled by using nine proxy indicators – grew 11.5% YoY in 9MFY23 v/s a 12.4% YoY growth in 9MFY22 (*Exhibit 6*). Three among the nine indicators – real non-farm consumer imports, real non-farm GVA and IIP for consumer durable goods – witnessed a slowdown (*Exhibit 7*). Others such as real salaries of BSE500 employees, domestic PV sales, real personal credit and petrol consumption posted higher growth. While CPI for non-food inflation remained flat at a high level (of 6.7% YoY), real house prices contracted at a slower pace in 9MFY23.

Exhibit 6: Urban consumption grew slower in 1HFY23 v/s a sharp growth in 1HFY22...

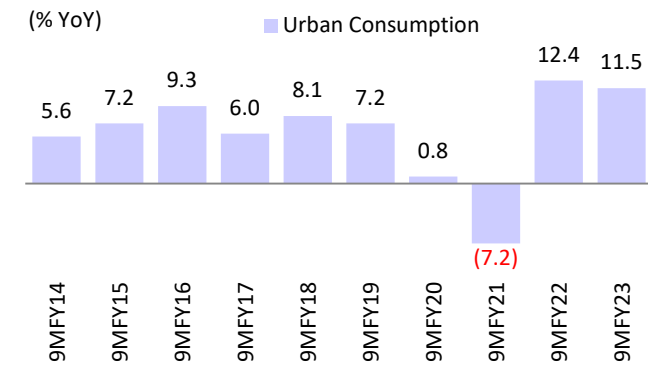
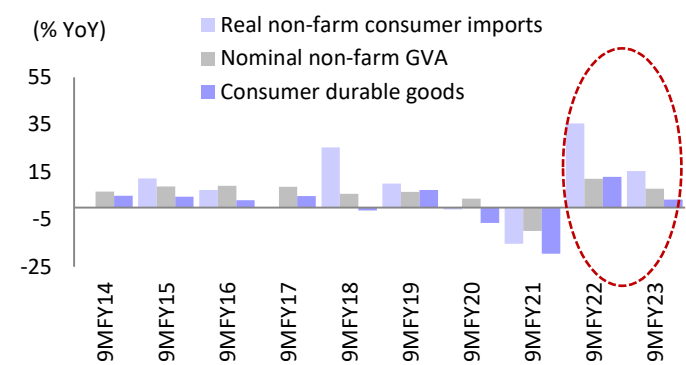


Exhibit 7: ...primarily on account of slower growth in 2QFY23



Source: Various national sources, CEIC, MOFSL

...due to major slowdown in 3QFY23: After growing strongly by 18%/10.9% YoY in 1Q/2QFY23, urban consumption rose only 6.6% YoY in 3QFY23 leading to a slower growth in 9MFY23 (v/s 9MFY22 level). Six out of nine indicators disappointed in 3QFY23; these were – Real non-farm GVA, domestic PV sales, IIP for consumer durable goods, petrol consumption, real house prices and real non-farm consumer imports (*Exhibit 8*).

Exhibit 8: Consumption grew 6.6% YoY in 3Q after 18%/10.9% YoY rise in 1Q/2QFY23, leading to slower growth in 9MFY23

Urban consumption indicators	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	9MFY19	9MFY20	9MFY21	9MFY22	9MFY23
Non-farm GVA	5.3	3.8	13.8	5.9	4.8	6.7	3.8	(9.9)	12.2	8.0
Real S&W	(3.0)	5.3	6.5	11.4	18.3	13.9	7.6	1.5	6.3	12.0
CPI non-food inflation	6.9	6.4	6.8	6.7	6.7	5.9	3.4	5.0	6.8	6.7
Domestic: PV sales	(20.2)	(6.1)	33.9	34.4	21.4	4.4	(20.0)	(19.1)	15.9	29.7
Personal credit	8.9	6.9	11.2	12.3	13.9	11.1	13.1	5.6	8.9	13.9
IIP: Consumer durable goods	(3.5)	(5.7)	27.2	(2.7)	(8.4)	7.4	(6.5)	(19.4)	13.0	3.5
Petrol consumption	2.4	1.5	29.4	9.1	7.7	7.6	8.4	(11.9)	13.8	14.6
Real house prices	(0.5)	(1.7)	(0.2)	0.4	(1.8)	(2.0)	(1.5)	(1.3)	(1.2)	(0.5)
Non-farm consumer imports: ytd	25.9	38.2	33.5	21.1	(3.2)	10.1	(0.8)	(15.2)	35.5	15.4
Urban consumption*	2.5	5.4	18.0	10.9	6.6	7.2	0.8	(7.2)	12.4	11.5

*Simple average of indicators

Nominal data deflated by CPI-for industrial workers (CPI-IW)

Source: Various national sources, CEIC, MOFSL

²Compiled using nine indicators: 1) Real S&W of BSE500 companies, 2) CPI non-food inflation, 3) Real personal real credit, 4) IIP Consumer Durable Goods, 5) Petrol consumption and 6) Real house prices, and 7) Real non-farm consumer imports, 8) PV sales, and 9) Real non-farm GVA

After our discussion on the overall rural and urban consumption, we now analyze a few factors that affect the farm sector adversely within the rural sector as well as a few metrics that indicate the health of the overall rural sector.

1. According to data from the India Meteorological Department (IMD), winter rainfall that is useful during the Rabi season appears to have been weak this year. Except Oct'22, all the other months up to Jan'23 have had lower rainfall compared to the normal range as well as last year level (*refer Exhibit 9*). Despite that Rabi sowing has increased this year supported by comfortable water reservoir levels (*refer Exhibit 10*).

Exhibit 9: After a surplus southwest monsoon, winter rainfall has been poor in FY23...

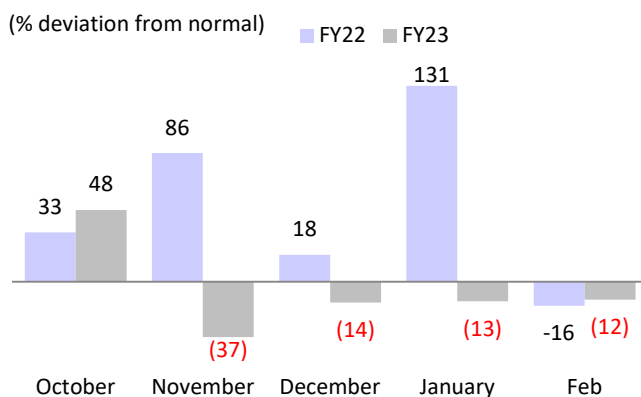
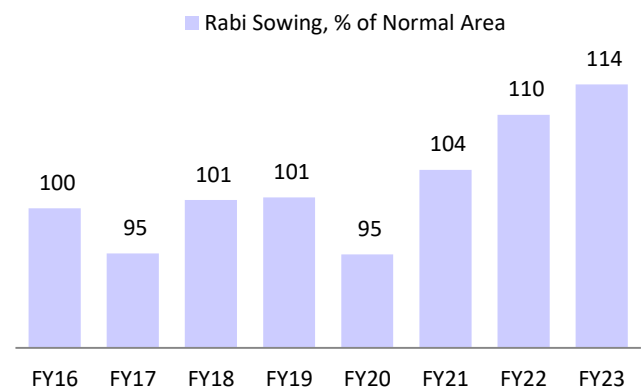


Exhibit 10: ...but Rabi sowing trends have still been good this year...

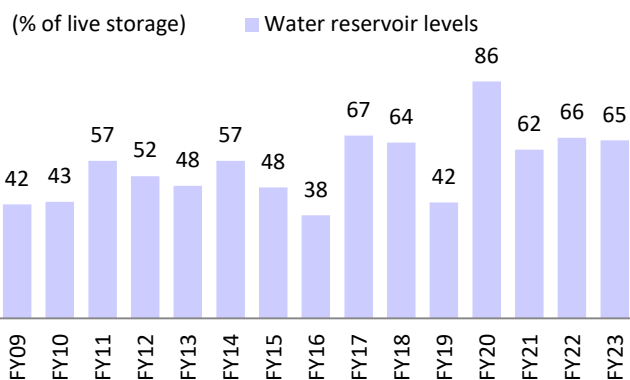


Up to 3rd February for all years

Source: Various national sources, CEIC, MOFSL

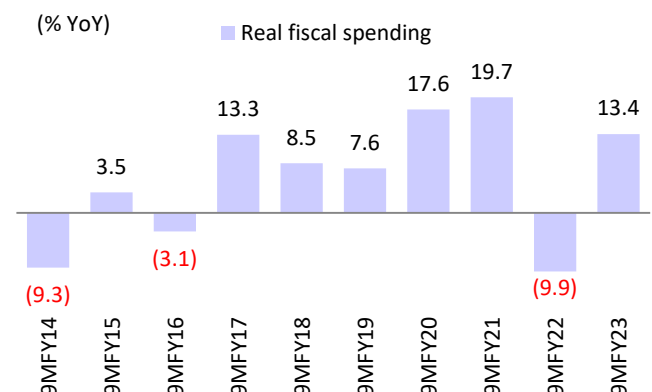
2. Excluding FY20, average reservoir level has been at 52% of live storage capacity during FY10-19. It stood at 65% in FY23, similar to the levels seen in the last two years. This is probably why there have been no issues with Rabi sowing despite poor winter rainfall in the country (*refer Exhibit 11*).
3. After declining 9.9% YoY in 9MFY22, government's real spending towards the rural sector has once again risen by a sharp 13.4% YoY in 9MFY23. We include spending by the Ministry of Agriculture and Farmer's Welfare, Department of Fertilizers, Department of Drinking Water and Sanitation, Ministry of Panchayati Raj, and Ministry of Rural Development for our analysis (*refer Exhibit 12*).

Exhibit 11: ...due to decent water reservoir levels in FY23 compared to previous years



Up to first week of February for all years

Exhibit 12: Fiscal real rural spending grew strongly in 9MFY23, partly on account of a low base



Source: Various national sources, CEIC, MOFSL

4. One of the bright spots in 3QFY23 data was ~1% YoY growth in real farm wages, which came after three quarters of consecutive declines. We compile real farm wages using five activities – ploughing and tilling; sowing; harvesting, winnowing and threshing; picking; and animal husbandry (*Exhibit 13*).
5. We also compile non-farm rural wages using another set of five professions – carpenter, blacksmith, mason, tractor driver, and sweeper. Data suggests that the situation of real non-farm wages continues to remain a worry (*Exhibit 14*).

Exhibit 13: Real rural farm wages actually grew in 3QFY23 after three quarters of consecutive decline...

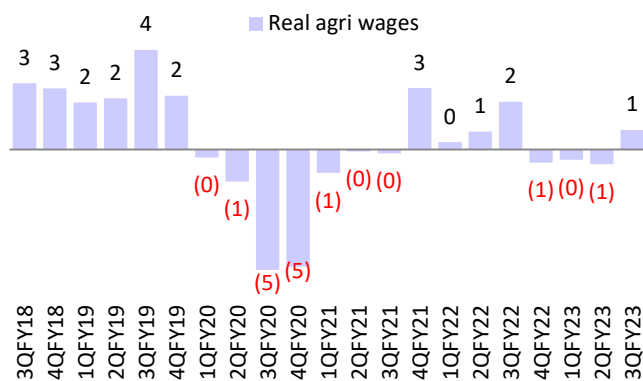
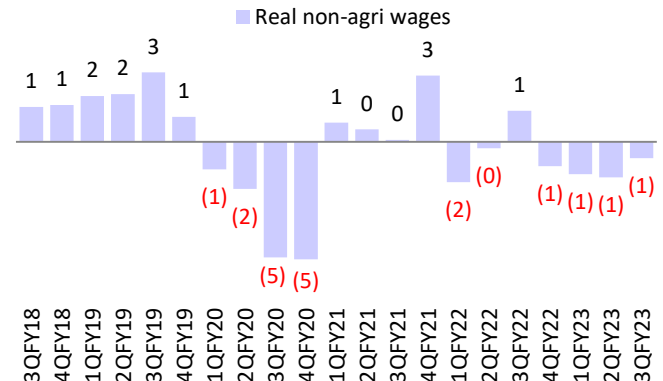


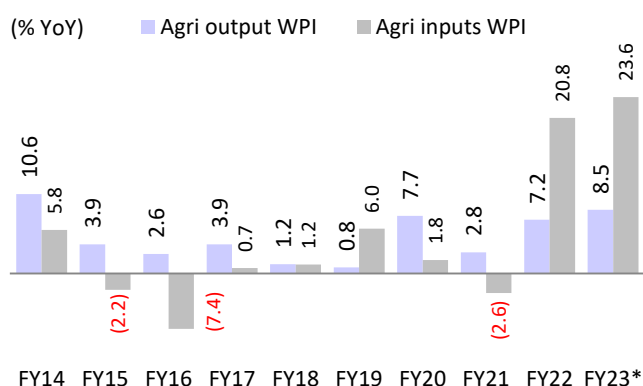
Exhibit 14: ...but real non-farm wages continued their downward trend for the fourth consecutive quarter



Source: Various national sources, CEIC, MOFSL

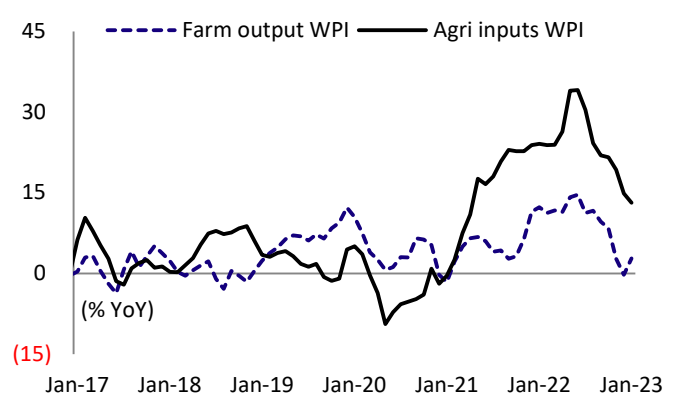
6. Finally, the ‘terms of trade’ for the farm sector too have not improved. Based on five items (high-speed diesel, electricity, fertilizers, pesticides, and agricultural machinery & implements), we estimate that farm input prices grew ~24% YoY over Apr’22-Jan’23 v/s a growth of only ~9% YoY in farm output prices during the corresponding period (*refer Exhibits 15 and 16*). This highlights the continued stress in farmers’ income. However, a ray of hope emerged with 2.8% YoY growth in output prices in Jan’23 (v/s -0.3% YoY in Dec’22). This was in contrast to a 21-month low growth of 13.2% YoY in input prices in Jan’23.

Exhibit 15: Farmers’ terms of trade continue to be unfavorable over Apr’22-Jan’23...



*Apr’22-Jan’23

Exhibit 16: ...with the gap between input and output prices being still wide, although a ray of hope was visible in Jan’23



Source: Various national sources, CEIC, MOFSL

Conclusion: Consumption demand has started ebbing

Overall, consumption demand has started its southward journey. Both rural and urban consumption grew at a three-quarter low of 4.6% and 6.6% YoY, respectively, in 3QFY23 (*Exhibit 17*). Going ahead, though the central government continues to focus on the rural sector, weak income growth combined with higher interest rates could bring down overall consumption demand further. Data released from the CSO also reveals collapse in total consumption to 2.1% YoY in 3QFY23 (*Exhibit 18*).

Exhibit 17: Both rural as well as urban consumption decelerated in 3QFY23...

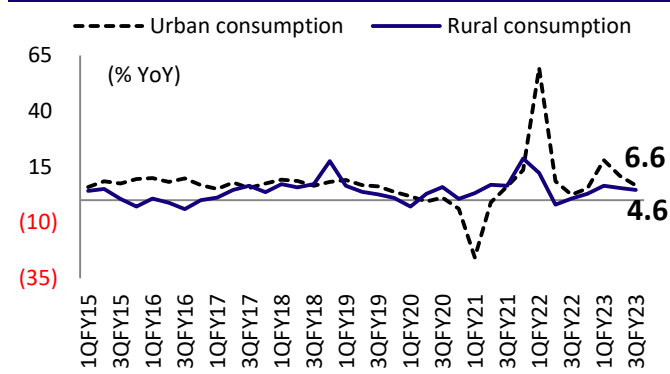
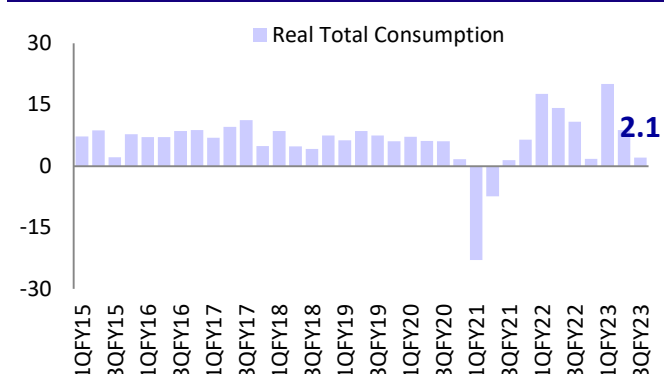


Exhibit 18: ...as was also indicated in our in-house estimate of total consumption during the quarter



Source: Various national sources, CEIC, MOFSL

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement

Analyst ownership of the stock

No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

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

("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (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 Advisors 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.

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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; 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.:022-71881085.

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; 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 dp@motilaloswal.com.