

# Power Grid Corporation of India

Estimate change



TP change



Rating change



Bloomberg	PWGR IN
Equity Shares (m)	9301
M.Cap.(INRb)/(USDb)	2652.5 / 30.3
52-Week Range (INR)	366 / 258
1, 6, 12 Rel. Per (%)	-8/-15/-8
12M Avg Val (INR M)	5341

## Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	469.9	504.3	534.0
EBITDA	400.2	424.8	443.5
Adj. PAT	166.4	175.8	185.4
Adj. EPS (INR)	17.9	18.9	19.9
EPS Gr. (%)	6.8	5.7	5.5
BV/Sh.(INR)	101.1	108.3	113.0

## Ratios

Net D:E	1.2	1.1	1.0
RoE (%)	18.4	18.1	18.0
RoCE (%)	10.1	10.4	10.7
Payout (%)	50.3	52.9	67.7

## Valuations

P/E (x)	15.9	15.1	14.3
P/BV (x)	2.8	2.6	2.5
EV/EBITDA (x)	9.0	8.1	7.6
Div. Yield (%)	3.2	3.5	4.7
FCF Yield (%)	14.2	11.9	10.6

## Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	51.3	51.3	51.3
DII	17.0	16.9	14.8
FII	28.1	28.3	30.5
Others	3.5	3.5	3.4

FII Includes depository receipts

CMP: INR285

TP: INR375 (+31%)

Buy

## Rising capex needs weigh on dividend

- Power Grid (PWGR)'s 3QFY25 reported standalone (SA) PAT was in line at INR38.9b (-2% YoY). On a consolidated basis, reported PAT was down 4% YoY at INR38.6b. In the earnings call: 1) FY25 capex guidance was raised to INR230b (from INR200b), 2) capex and capitalization for FY26 was guided at INR280-300b, while the same for FY27 was guided at INR350b, 3) management guided that the dividend payout may see some moderation given mounting capex. Of the current order book of INR1.43t, ~33% is attributable to RTM projects, where the company earns a healthy 15% ROE.
- Following the 3QFY25 results, we moderate our DPS estimates to INR9/ INR10/ INR13.5 for FY25/FY26/FY27. PWGR has declared a second interim dividend of INR3.25 per share for FY25. We **reiterate our BUY rating** on the stock with a TP of INR375 based on 3.4x Dec-26 BVPS.

## Soft quarter amid higher-than-expected opex

### Standalone performance:

- PWGR reported SA revenue of INR101b (-5% YoY) in 3QFY25, 11% below our estimate of INR114b. EBITDA came in at INR85b (-9% YoY), ~14% below our est. of INR99b, hit by a sharp rise in other expenses. The EBITDA miss vs. our estimate was largely attributable to higher other expenses.
- The reported SA PAT was in line with our est. and stood at INR39b, aided by higher other income (partly attributable to the gain on the monetization of the remaining stake in some InvIT assets). Adjusted SA PAT of INR38.5b was flat on a YoY basis, and 3% below our est. of INR39.6b.
- The net movement in regulatory deferral account balances was positive at INR0.4b during the quarter.

### Consolidated performance:

- On a consolidated basis, reported PAT came in at INR38.6b (-4% YoY), while EBITDA declined 7% YoY to INR95.8b.
- The transmission segment remained the primary revenue driver, contributing 97.45% of consolidated EBIT at INR65.4b, while the telecom segment contributed 2%, with EBIT of INR1.2b, marking a 101% YoY growth.
- In 3QFY25, its JVs reported a loss of INR51m, significantly improving from INR1,046m loss in 2QFY25.

### Key announcements:

- The Board declared a second interim dividend of INR3.25/share for FY25 (Record date: 7th Feb'25).
- Additionally, the Board approved an investment of INR3.7b for the 400kV Vindhyachal PS – Sasan D/C Line at Hindalco Switchyard, scheduled for commissioning by Dec'26.

**Highlights of the 3QFY25 performance:****Operational performance and financials**

- The company added 1,399ckm of transmission lines and 9,185MVA of transformation capacity.
- The transmission system had an availability rate of 99.8% in 9MFY25, reflecting high operational efficiency.
- For 9MFY25, the reliability rate was 0.24 trippings per line.
- On a standalone basis, the average borrowing cost was 7.54%.
- The telecom division successfully added 12 new customers during the quarter and reported an income of INR2.3b.

**Project wins and capex outlook**

- PWGR emerged as the L1 bidder in 7 ISTS TBCB projects (levelized tariff of INR20.7b) in 3QFY25.
- On a consol. basis, capex was INR76.4b, and capitalization was INR34b in 3Q.
- The company capitalized INR16.8b on a consolidated basis and INR8.2b on a standalone basis.
- For FY25, management guided capex of INR 230b (RTM: INR 39b, TBCB: INR 142b, Others: INR 48.7b) with capitalization ~INR 180b. For FY26, capex is projected at INR 280-300b and capitalization at INR 250b, with both reaching INR 350b in FY27. Work in hand: INR 1.43t.

**Future growth and dividend outlook**

- Dividend Outlook: The dividend for FY25 is expected to be INR9/share, lower than the previous period due to the need to allocate funds for capital expenditure.
- Currently, ~INR520b worth of projects are under bidding. Assuming a project win rate of ~50%, ~INR250-270b worth of projects are likely to be won by PWGR, in addition to the current work in hand of INR1.43t. This would take the total value of projects to INR1.7t.

**Valuation and view**

We derive our TP of INR375 for PWGR based on Dec'26E BVPS and a P/B multiple of 3.4x, which we believe is reasonable given that capex and capitalization are on a multi-year uptrend with the order book at an elevated level.

**Standalone Quarterly Performance**

Y/E March	(INRb)												Var. %	YoY %	QoQ %
	FY24				FY25E				FY24	FY25E	FY25E	3QE			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE							
<b>Sales</b>	<b>102.4</b>	<b>97.4</b>	<b>106.8</b>	<b>110.5</b>	<b>100.7</b>	<b>102.6</b>	<b>101.2</b>	<b>108.2</b>	<b>418.3</b>	<b>412.7</b>	<b>114.3</b>	<b>7.1</b>	-11%	-5%	-1%
YoY Change (%)	-2.7	-6.6	-0.6	-2.2	-1.7	5.3	-5.2	-2.1	-2.5	-1.3	7.1				
<b>EBITDA</b>	<b>90.0</b>	<b>85.3</b>	<b>94.0</b>	<b>91.4</b>	<b>87.4</b>	<b>87.9</b>	<b>85.2</b>	<b>90.7</b>	<b>361.9</b>	<b>351.3</b>	<b>99.0</b>	<b>5.3</b>	-14%	-9%	-3%
YoY Change (%)	1.4	-3.5	0.2	-9.0	-2.9	3.0	-9.3	-0.7	-2.8	-2.9	5.3				
As of % Sales	87.9	87.6	88.0	82.7	86.8	85.6	84.2	83.9	86.5	85.1	86.5				
Depreciation	31.4	31.4	31.6	31.2	30.7	31.6	30.7	32.4	125.6	125.5	36.7	-16%	-3%	-3%	
Interest	21.2	23.9	25.2	20.2	21.6	26.0	21.3	14.8	90.5	83.7	23.5	-9%	-15%	-18%	
Other Income	6.4	7.9	7.9	12.0	7.8	11.2	14.9	8.4	34.2	42.4	9.2	62%	88%	33%	
Extraordinary Inc/ (Exp)	-2.9	5.6	1.1	-1.7	-0.6	2.5	0.4	0.0	2.1	2.3	0.0				
<b>PBT</b>	<b>41.0</b>	<b>43.4</b>	<b>46.3</b>	<b>50.3</b>	<b>42.3</b>	<b>43.9</b>	<b>48.5</b>	<b>52.0</b>	<b>182.2</b>	<b>186.8</b>	<b>48.0</b>	<b>1%</b>	<b>5%</b>	<b>11%</b>	
Tax	5.6	5.1	6.6	9.1	8.2	6.8	9.6	9.1	26.3	33.7	8.3	15%	46%	41%	
Effective Tax Rate (%)	13.6	11.7	14.2	18.0	19.4	15.5	19.8	17.5	14.4	18.0	17.4				
<b>Reported PAT</b>	<b>35.4</b>	<b>38.3</b>	<b>39.7</b>	<b>41.3</b>	<b>34.1</b>	<b>37.1</b>	<b>38.9</b>	<b>42.9</b>	<b>154.7</b>	<b>153.1</b>	<b>39.6</b>	<b>-2%</b>	<b>-2%</b>	<b>5%</b>	
YoY Change (%)	-5.9	6.5	14.5	-0.9	-3.7	-3.2	-1.9	3.9	2.3	-1.1	-0.2				
<b>Adjusted PAT</b>	<b>37.9</b>	<b>33.4</b>	<b>38.7</b>	<b>42.7</b>	<b>34.6</b>	<b>35.0</b>	<b>38.6</b>	<b>42.9</b>	<b>152.8</b>	<b>151.1</b>	<b>39.6</b>	<b>-3%</b>	<b>0%</b>	<b>10%</b>	
YoY Change (%)	0.6	-7.1	11.7	2.5	-8.7	4.8	-0.4	0.5	1.0	-1.1	2.3				

**PWGR's valuation**

Dec-26 BVPS	INR	112
P/B multiple	(x)	3.4
<b>Target Price</b>	<b>INR</b>	<b>375</b>
CMP	INR	285
<b>Upside / (Downside)</b>	<b>%</b>	<b>31%</b>

**Highlights from the analyst meet**■ **Recent project wins:**

- PWGR emerged as the L1 bidder in 7 ISTS TBCB projects (levelized tariff INR20.7b) in 3QFY25 and INR80b in 9MFY25.
- Have a share of 50% of annual tariff and 58% and 57% of NCT cost and project wins, respectively.

■ **Project execution and financial performance in 3QFY25:**

- In 3QFY25, on a consol. basis, capex was INR76.4b, and capitalization was INR34b.
- About 1,399ckm of transmission lines and 9,185MVA transformation capacity added.
- Transmission system availability: 99.8%. in 9MFY25.
- Reliability: 0.24 trippings per line in 9MFY25.
- Average Borrowing Cost: 7.54% on a standalone basis in 3QFY25.
- Debt stood at INR1,292b and Debt:Equity was 59:41

■ **Telecom division highlights:**

- Customer Growth: Added 12 new customers.
- Financial Performance: Income for 3QFY25 was INR2.3b.
- 9MFY25 income rose by 22% to INR7.2b from INR5.9b in 9MFY24.
- PowerTel received its first ILD Order.

■ **Capex guidance and work in hand:**

- **FY25 Capex Plan:** INR230b with INR39b allocated to RTM projects, INR142b allocated to TBCB projects, and INR48.7b to other projects. Capitalization for FY25 should be ~180b.
- INR280-300b capex and 250b capitalization projection for FY26 and capex and capitalization of INR350b for FY27.
- **Work in hand:** INR1.43t, including INR936.8b for TBCB projects, INR83.3b for ongoing RTM projects, INR385.6b for new RTM projects, and INR31.6b for other projects. Additionally, PWGR won an INR35b transmission project in Karnataka today.

■ **Growth outlook:**

- Growth in the transmission network is attributable to the government's goal of 500 GW in non-fossil capacity + supporting the Green Hydrogen mission which requires 125 GW of renewable energy, necessitating additional connectivity requirements.
- **One Sun One Grid Initiative:** The possibility of international interconnections is a growth driver for PWGR.
- With the central government adjusting its transmission capex estimate to INR9.16t till FY32 as per NEP 2032, PWGR is strategically positioned to leverage these investments as the NEP represents a significant commitment to capacity expansion and the advancement of clean energy technologies.

■ **Projects under bidding and dividend:**

- Currently, ~INR520b worth of projects are under bidding. Assuming a project win rate of ~50%, ~INR250-270b worth of projects are likely to be won by

PWGR, in addition to the current work in hand of INR1.43t. This would take the total value of projects to INR1.7t.

- Dividend Outlook: The dividend for FY25 is expected to be INR9/share, lower than the previous period due to the need to allocate funds for capital expenditure.
- **Other Highlights**
  - **First in India:** Implementation of Dynamic Line Loading on the 400 kV D/C Madurai-Tuticorin line. Implementation of E-Vegetation Management initiated on six high vegetation-prone transmission lines in the North Eastern Region.
  - **Green loan:** USD200m agreement signed with Sumitomo Mitsui Banking Corporation (SMBC) to fund PWGR's RE projects.
  - PWGR was granted a patent by the Indian Patent Office for "System and method for health assessment of transformers/reactors."

#### Exhibit 1: Emerged L1 bidder in seven ISTS TBCB projects during 3QFY25:

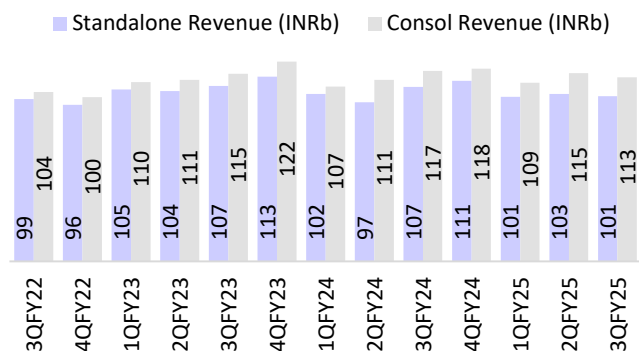
##### Sr. No.Particulars

1	TS for evacuation of power from Rajasthan REZ Ph IV (Part 3: 6GW) (Bikaner Complex): Part A
2	TS for evacuation of power from Rajasthan REZ PhIV (Part 3: 6GW) (Bikaner Complex): Part B
3	TS under ISTS for evacuation of power from Kudankulam Unit - 3 & 4 (2x1000 MW)
4	TS for evacuation of power from Rajasthan REZ Ph-IV (Part-4: 3.5 GW): Part A
5	System strengthening at Koppal-II and Gadag-II for integration of renewable energy generation projects
6	Augmentation of transformation capacity at KPS1 (GIS) and KPS2 (GIS) (Phase-V Part B1 and Part B2 scheme)
7	Augmentation of transformation capacity by 3x500 MVA, 400/220kV ICTs (6th - 8th) and 1x1500 MVA, 765/400kV ICT (4th) at Bidar PS

Source: Company, MOFSL

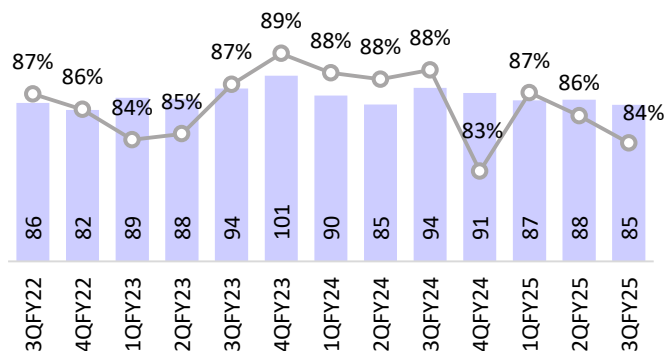
## Story in charts – 3QFY25

**Exhibit 2: Standalone & consol. revenue**



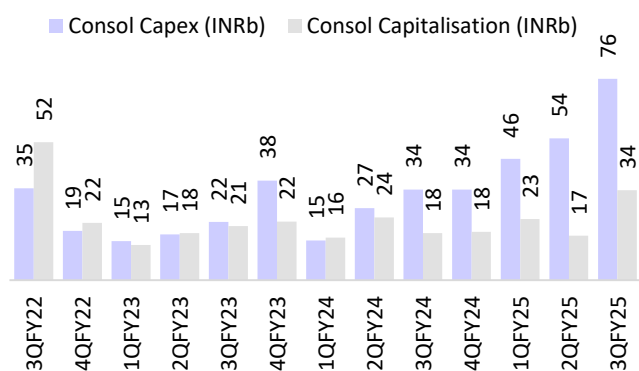
Source: Company, MOFSL

**Exhibit 3: Standalone EBITDA (INRb) & EBITDA margin**



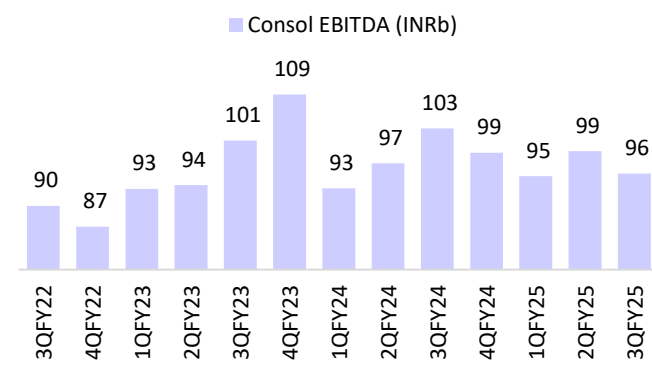
Source: Company, MOFSL

**Exhibit 4: Consol. capex and capitalization**



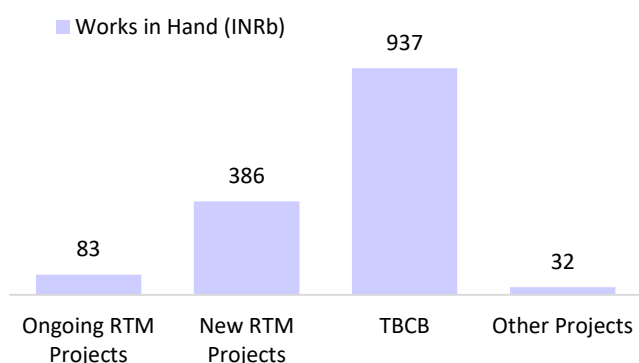
Source: Company, MOFSL

**Exhibit 5: Consol. EBITDA**



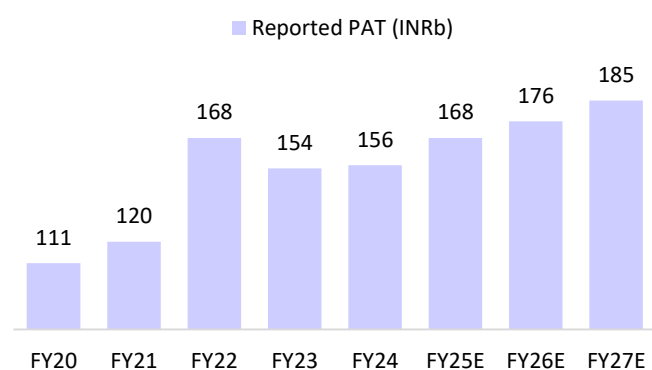
Source: Company, MOFSL

**Exhibit 6: Works in hand (31<sup>st</sup> Jan'25)**



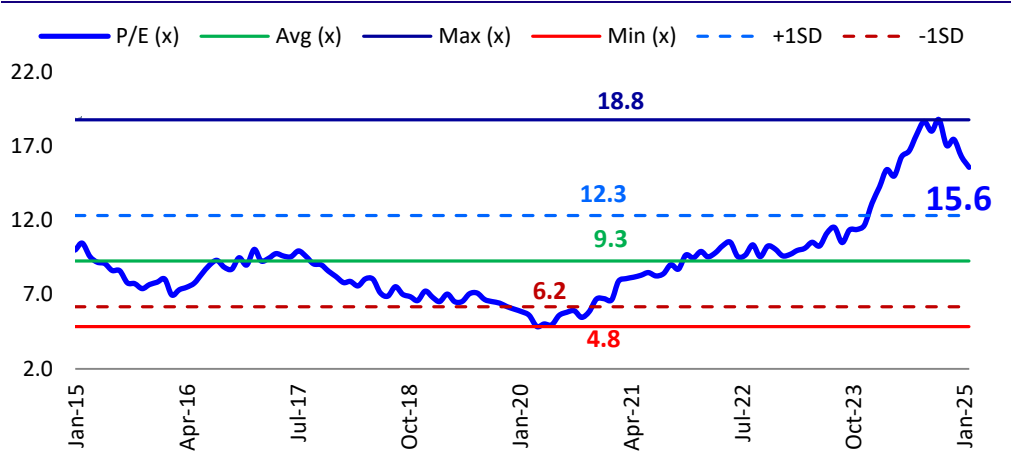
Source: Company, MOFSL

**Exhibit 7: Consol. reported PAT growth over FY20-27E**



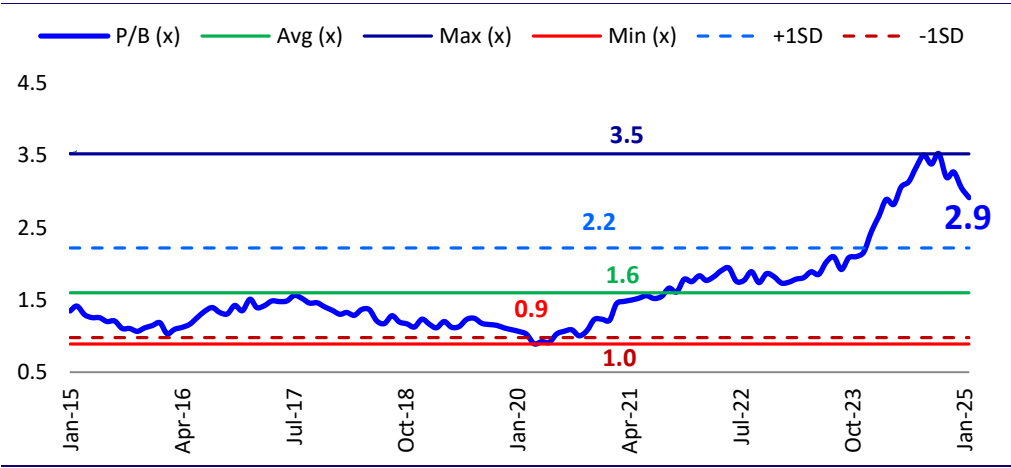
Source: Company, MOFSL

Exhibit 8: One-year forward P/E



Source: Company, MOFSL

Exhibit 9: One-year forward P/B



Source: Company, MOFSL

## Financials and valuations

Consolidated Income Statement					(INR m)
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>4,58,517</b>	<b>4,52,717</b>	<b>4,69,928</b>	<b>5,04,286</b>	<b>5,34,041</b>
Change (%)	11.6	-1.3	3.8	7.3	5.9
Expenditure	61,032	59,402	69,747	79,481	90,499
<b>Gross Profit</b>	<b>4,58,517</b>	<b>4,52,717</b>	<b>4,69,928</b>	<b>5,04,286</b>	<b>5,34,041</b>
<b>EBITDA</b>	<b>3,97,485</b>	<b>3,93,315</b>	<b>4,00,181</b>	<b>4,24,806</b>	<b>4,43,543</b>
% of Net Sales	86.7	86.9	85.2	84.2	83.1
Depreciation	1,33,334	1,30,953	1,32,336	1,43,772	1,52,810
Interest	96,339	87,728	80,992	80,693	79,807
Other Income	10,025	10,700	18,836	20,118	21,464
<b>PBT before EO</b>	<b>1,77,837</b>	<b>1,85,335</b>	<b>2,05,689</b>	<b>2,20,460</b>	<b>2,32,390</b>
EO income (expense)	0	0	2,300	0	0
<b>PBT after EO</b>	<b>1,77,837</b>	<b>1,85,335</b>	<b>2,07,989</b>	<b>2,20,460</b>	<b>2,32,390</b>
Tax	22,819	29,408	38,561	43,459	45,800
Rate (%)	12.8	15.9	18.5	19.7	19.7
Share of JVs and asso.	-821	-196	-1,200	-1,200	-1,200
<b>Reported PAT</b>	<b>1,54,197</b>	<b>1,55,732</b>	<b>1,68,228</b>	<b>1,75,800</b>	<b>1,85,390</b>
<b>Adjusted PAT</b>	<b>1,54,197</b>	<b>1,55,732</b>	<b>1,66,355</b>	<b>1,75,800</b>	<b>1,85,390</b>
Change (%)	10.3	1.0	6.8	5.7	5.5

Balance Sheet					(INR m)
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	69,755	93,006	93,006	93,006	93,006
Reserves	7,60,391	7,77,480	8,46,854	9,14,163	9,57,854
<b>Net Worth</b>	<b>8,30,145</b>	<b>8,70,486</b>	<b>9,39,860</b>	<b>10,07,169</b>	<b>10,50,860</b>
Loans	12,65,949	12,34,486	11,69,679	11,22,387	10,93,909
Deferred Rev. & tax	2,08,424	1,94,910	1,94,910	1,94,910	1,94,910
<b>Capital Employed</b>	<b>23,04,518</b>	<b>22,99,882</b>	<b>23,04,449</b>	<b>23,24,466</b>	<b>23,39,679</b>
Gross Fixed Assets	27,01,123	27,71,367	30,66,367	33,08,867	36,06,867
Less: Depreciation	8,46,753	9,72,767	10,98,230	12,33,397	13,75,616
<b>Net Fixed Assets</b>	<b>18,54,370</b>	<b>17,98,600</b>	<b>19,68,137</b>	<b>20,75,469</b>	<b>22,31,251</b>
Capital WIP	1,37,723	1,72,453	63,324	72,051	41,221
Investments	34,891	54,159	54,159	54,159	54,159
<b>Other Assets</b>	<b>4,75,971</b>	<b>5,24,023</b>	<b>6,78,294</b>	<b>7,77,343</b>	<b>8,36,030</b>
Inventory	13,400	13,201	13,136	12,995	13,800
Debtors	1,36,945	1,17,262	1,17,262	1,15,778	1,22,805
Cash & Bank Balance	73,846	76,769	2,21,770	3,11,577	3,51,475
Other Current Assets	1,33,195	2,04,457	2,12,366	2,20,472	2,28,782
Loans & Advances	1,18,585	1,12,334	1,13,759	1,16,521	1,19,168
<b>Other Liabilities</b>	<b>1,98,438</b>	<b>2,49,352</b>	<b>4,59,464</b>	<b>6,54,556</b>	<b>8,22,982</b>
<b>Net Current Assets</b>	<b>2,77,534</b>	<b>2,74,672</b>	<b>2,18,830</b>	<b>1,22,787</b>	<b>13,049</b>
<b>Application of Funds</b>	<b>23,04,518</b>	<b>22,99,883</b>	<b>23,04,450</b>	<b>23,24,467</b>	<b>23,39,680</b>

## Financials and valuations

### Ratios

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>					
<b>EPS</b>	<b>16.6</b>	<b>16.7</b>	<b>17.9</b>	<b>18.9</b>	<b>19.9</b>
Cash EPS	30.9	30.8	32.1	34.4	36.4
Book Value	89.3	93.6	101.1	108.3	113.0
DPS	11.1	11.3	9.0	10.0	13.5
Div. Payout (incl. Tax.)	66.7	67.2	50.3	52.9	67.7
<b>Valuation (x)</b>					
P/E	17.2	17.0	15.9	15.1	14.3
Cash P/E	9.2	9.3	8.9	8.3	7.8
EV/EBITDA	9.7	9.7	9.0	8.1	7.6
Price/Book Value	3.2	3.0	2.8	2.6	2.5
Dividend Yield (%)	3.9	3.9	3.2	3.5	4.7
<b>Profitability Ratios (%)</b>					
RoE	19.4	18.3	18.4	18.1	18.0
RoCE	10.3	10.0	10.1	10.4	10.7
RoIC	11.1	10.9	11.0	11.7	12.4
<b>Turnover Ratios</b>					
Debtors (Days)	109	95	91	84	84
Inventory (Days)	9	9	7	6	6
Current Liabilities (Days)	134	161	256	316	375
Asset Turnover (x)	0.2	0.3	0.2	0.2	0.2
<b>Leverage Ratio</b>					
Net Debt/EBITDA	3.0	2.9	2.4	1.9	1.7
Debt/Equity (x)	1.5	1.4	1.2	1.1	1.0

### Cash Flow Statement

(INR m)

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
<b>PBT before EO Items</b>	<b>1,74,531</b>	<b>1,90,853</b>	<b>2,05,689</b>	<b>2,20,460</b>	<b>2,32,390</b>
Depreciation	1,33,334	1,30,953	1,32,336	1,43,772	1,52,810
Interest	96,339	87,728	80,992	80,693	79,807
Others	869	-13,363	-18,836	-20,118	-21,464
(Inc)/Dec in WC	25,486	10,532	2,00,843	1,85,849	1,49,637
Direct Taxes Paid	-28,530	-33,807	-38,561	-43,459	-45,800
<b>CF from Operations</b>	<b>4,02,029</b>	<b>3,72,895</b>	<b>5,62,463</b>	<b>5,67,195</b>	<b>5,47,380</b>
(Inc)/Dec in FA	-82,426	-1,14,037	-1,85,871	-2,51,227	-2,67,170
FCF	3,19,602	2,58,858	3,76,592	3,15,969	2,80,210
(Pur)/Sale of Investments	11,044	-17,107	17,636	18,918	20,264
<b>CF from Investments</b>	<b>-71,383</b>	<b>-1,31,144</b>	<b>-1,68,235</b>	<b>-2,32,309</b>	<b>-2,46,906</b>
Others	-2,787	20,205	-19,722	-24,089	-26,733
(Inc)/Dec in Debt	-1,32,578	-53,168	-64,808	-47,292	-28,477
Interest Paid	-86,468	-93,677	-80,992	-80,693	-79,807
Dividend Paid	-85,449	-1,12,189	-83,705	-93,006	-1,25,558
<b>CF from Fin. Activity</b>	<b>-3,07,282</b>	<b>-2,38,828</b>	<b>-2,49,227</b>	<b>-2,45,080</b>	<b>-2,60,576</b>
<b>Inc/Dec of Cash</b>	<b>23,364</b>	<b>2,923</b>	<b>1,45,001</b>	<b>89,807</b>	<b>39,898</b>
Add: Beginning Balance	50,482	73,846	76,769	2,21,770	3,11,577
<b>Closing Balance</b>	<b>73,846</b>	<b>76,769</b>	<b>2,21,770</b>	<b>3,11,577</b>	<b>3,51,475</b>

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



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

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

#### Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://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 Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://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](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- 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
- 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
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- 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.

#### Terms & Conditions:

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

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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