

Power Grid Corporation of India

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↓ |
| Rating change | ↔ |

CMP: INR291 **TP: INR345 (+18%)** **Buy**

Muted performance; robust capex outlook intact

- In 1QFY26, Power Grid Corporation (PWGR) reported a standalone (SA) revenue of INR99.3b (-1% YoY), 6% below our estimate. EBITDA was 12% below our estimate at INR81.2b (-7% YoY), hit by a 66% YoY surge in other expenses. Adj. SA PAT was 6% below our est. at INR34.7b, supported by higher-than-expected other income and lower tax expenses.
- In the analyst meet, management reiterated its robust capex trajectory, improving capitalization trends, and a strong project pipeline. Capex guidance remains unchanged at INR280b/INR350b/INR450b for FY26/FY27/FY28, respectively. However, the capitalization target for FY26 has been slightly revised downward to INR220b (vs. earlier guidance of INR230–250b), owing to persistent issues related to right-of-way (RoW).
- Looking ahead, the interstate and intrastate TBCB pipelines are expected to witness cumulative bidding opportunities of INR6t and INR3t, respectively, by 2032, underscoring a healthy growth runway for PWGR's regulated and bid-based project segments.
- We **reiterate our BUY rating** on the stock with a TP of INR345 (based on 3x FY27E BVPS).

EBITDA below estimate; higher other income supports PAT

- **SA performance:**
 - In 1QFY26, PWGR reported SA revenue of INR99.3b (-1% YoY), 6% below our estimate. EBITDA was 12% below our estimate at INR81.2b (-7% YoY), hit by a 66% YoY surge in other expenses.
 - Adj. SA PAT was 6% below our est. at INR34.7b, supported by higher-than-expected other income and lower tax expenses. The weakness in PAT was likely attributable to capitalization continuing to trail company guidance.
 - The net movement in regulatory deferral account balances was at INR2.1b during the quarter.
- **Consolidated performance:**
 - The company reported an EBITDA of INR 93.6b (-2% YoY), while PAT declined ~2% YoY to INR 36.3b.
 - The transmission segment remained the primary revenue driver, contributing 97.31% of consolidated EBIT (INR62.2b). The telecom segment contributed 2.21%, with EBIT of INR1.4b.
 - In 1QFY26, its JVs reported a loss of INR0.44b (vs. a loss of INR0.3b in 4QFY25 and a profit of INR0.29b in 1QFY25).
- **The Board of Directors approved the following:**
 - Enhancement of the borrowing limit from INR160b to INR250b for FY25-26, through various sources, including private placement of non-convertible debentures (NCDs).
 - Fundraising of up to INR300b during FY26-27 via domestic bonds (secured/unsecured, non-convertible, redeemable, taxable/tax-free) under private placement, in one or more tranches.
 - In-principle approval for participation in up to two TBCB projects, with a cumulative estimated cost of INR5b, through a consortium of PWGR and PGInvIT.

| | |
|-----------------------|---------------|
| Bloomberg | PWGR IN |
| Equity Shares (m) | 9301 |
| M.Cap.(INRb)/(USDb) | 2708.8 / 30.9 |
| 52-Week Range (INR) | 366 / 247 |
| 1, 6, 12 Rel. Per (%) | 2/-4/-18 |
| 12M Avg Val (INR M) | 4234 |

Financials & Valuations (INRb)

| Y/E March | FY25 | FY26E | FY27E |
|----------------|-------|-------|-------|
| Sales | 460.7 | 498.5 | 530.6 |
| EBITDA | 393.4 | 423.3 | 444.5 |
| Adj. PAT | 155.2 | 167.1 | 177.7 |
| Adj. EPS (INR) | 16.7 | 18.0 | 19.1 |
| EPS Gr. (%) | -0.3 | 7.7 | 6.4 |
| BV/Sh.(INR) | 99.6 | 107.0 | 115.2 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 1.4 | 1.3 | 1.2 |
| RoE (%) | 17.3 | 17.4 | 17.2 |
| RoCE (%) | 9.7 | 10.2 | 10.4 |
| Payout (%) | 53.9 | 53.4 | 52.3 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 17.4 | 16.2 | 15.2 |
| P/BV (x) | 2.9 | 2.7 | 2.5 |
| EV/EBITDA (x) | 9.9 | 9.1 | 8.7 |
| Div. Yield (%) | 3.1 | 3.3 | 3.4 |
| FCF Yield (%) | 4.5 | 9.6 | 6.3 |

Shareholding pattern (%)

| As On | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 51.3 | 51.3 | 51.3 |
| DII | 18.6 | 18.4 | 16.3 |
| FII | 26.5 | 26.8 | 28.7 |
| Others | 3.6 | 3.5 | 3.6 |

FII Includes depository receipts

Highlights of the 1QFY26 performance:

■ Project execution & operational performance

- Consolidated capex for 1QFY26 stood at INR69.8b, with capitalization of INR28b.
- Added 652ckm of transmission lines and 19,370 MVA of transformation capacity during the quarter.
- Transmission system performance remained strong with 99.84% availability and 0.08 trippings per line per year as of 1QFY26.

■ Consultancy segment

- Revenue grew to INR3.3b in 1QFY26 (vs. INR1.2b in 1QFY25), supported by an INR1.5b contribution from the newly launched smart meter business.

■ Capex & capitalization guidance

- The capex target has been maintained for FY26 at INR280b (RTM: INR35.5b, TBCB: INR190.6, and others: INR53.8b).
- Capex target for FY27/FY28: INR350b/INR450b.
- The FY26 capitalization target stands at INR220b, with quarterly phasing as follows: 2Q – INR30b, 3Q – INR70b, and 4Q – INR80b.
- Capitalization target for FY27: INR200-250b.

■ Works in hand

- Total work-in-hand stands at INR1.48t, including INR999b for TBCB projects, INR90b for ongoing RTM projects, INR370b for new RTM projects, and INR26b for other projects.

Valuation and view

We derive our TP of INR345 for PWGR based on FY27E BVPS and a P/B multiple of 3x, which we believe is reasonable given that its capex and capitalization are on a multi-year uptrend with the order book at an elevated level.

SA Quarterly Performance

| Y/E March | FY25 | | | | FY26E | | | | FY25 | FY26E | FY26E | Var. | YoY | QoQ |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|------------|-------------|------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 1QE | % | % | % |
| Sales | 100.7 | 102.6 | 101.2 | 109.8 | 99.3 | 107.3 | 105.9 | 120.9 | 414.3 | 433.4 | 106 | -6% | -1% | -10% |
| YoY Change (%) | -1.7 | 5.3 | -5.2 | -0.6 | -1.4 | 4.6 | 4.6 | 10.1 | -0.9 | 4.6 | 5.1 | | | |
| EBITDA | 87.4 | 87.9 | 85.2 | 92.2 | 81.2 | 92.7 | 90.1 | 108.2 | 352.8 | 372.2 | 93 | -12% | -7% | -12% |
| YoY Change (%) | -2.9 | 3.0 | -9.3 | 0.9 | -7.2 | 5.5 | 5.7 | 17.3 | -2.5 | 5.5 | 5.9 | | | |
| As of % Sales | 86.8 | 85.6 | 84.2 | 84.0 | 81.8 | 86.4 | 85.1 | 89.5 | 85.1 | 85.9 | 87.5 | | | |
| Depreciation | 30.7 | 31.6 | 30.7 | 30.4 | 29.7 | 33.2 | 32.3 | 34.6 | 123.5 | 129.8 | 32 | -8% | -3% | -2% |
| Interest | 21.6 | 26.0 | 21.3 | 25.9 | 23.0 | 26.3 | 21.5 | 24.9 | 94.8 | 95.8 | 22 | 6% | 7% | -11% |
| Other Income | 7.8 | 11.2 | 14.9 | 15.0 | 13.3 | 11.6 | 15.4 | 10.4 | 48.9 | 50.7 | 8 | 64% | 70% | -11% |
| Regulatory/Extraordinary Items | -0.6 | 2.5 | 0.4 | 0.5 | 2.1 | 0.0 | 0.0 | 0.0 | 2.8 | 2.1 | 0 | | | |
| PBT | 42.3 | 43.9 | 48.5 | 51.4 | 43.9 | 44.8 | 51.8 | 59.1 | 186.2 | 199.6 | 47 | -6% | 4% | -15% |
| Tax | 8.2 | 6.8 | 9.6 | 8.1 | 7.3 | 8.0 | 11.4 | 11.9 | 32.7 | 38.6 | 10 | -24% | -11% | -9% |
| Effective Tax Rate (%) | 19.4 | 15.5 | 19.8 | 15.7 | 16.7 | 17.9 | 21.9 | 20.1 | 17.5 | 19.4 | 20.8 | | | |
| Reported PAT | 34.1 | 37.1 | 38.9 | 43.4 | 36.5 | 36.8 | 40.4 | 47.2 | 153.5 | 160.9 | 37 | -1% | 7% | -16% |
| YoY Change (%) | -3.7 | -3.2 | -1.9 | 5.0 | 7.1 | -0.9 | 3.8 | 8.9 | -0.8 | 4.8 | 8.1 | | | |
| Adjusted PAT | 34.6 | 35.0 | 38.6 | 42.9 | 34.7 | 36.8 | 40.4 | 47.2 | 151.2 | 159.1 | 37 | -6% | 0% | -19% |
| YoY Change (%) | -8.7 | 4.8 | -0.4 | 0.5 | 0.4 | 5.0 | 4.7 | 10.0 | -1.1 | 5.3 | 6.6 | | | |

Our valuation for PWGR

| | | |
|----------------------------|------------|------------|
| BVPS- FY27 | INR | 115 |
| P/B multiple | (x) | 3 |
| Target Price | INR | 345 |
| CMP | INR | 291 |
| Upside / (Downside) | % | 19% |



Highlights from the management commentary

■ Project execution and financial performance:

- In 1QFY26, on a consolidated basis, capex was INR69.8b and capitalization was INR28b.
- About 652ckm of transmission lines and 19,370MVA transformation capacity were added.
- Up to 1QFY26, Transmission system availability was 99.84%, and trippings per line per year stood at 0.08.
- During the quarter, billing of INR84.3b was done while realization was INR86.7b.
- Debt stood at INR1,306b, and net worth stood at INR964b.

■ Telecom division highlights:

- Customer Growth: Added 16 new customers.
- Income rose by 17% YoY to INR2.9b.
- Order inflow during the quarter was INR0.59b.

■ Consultancy Segment highlights:

- Income grew to INR3.3b in 1QFY26 (vs. 1.2b in 1QFY25), which included INR1.5b from the new smart meter business.
- PWGR received two new international and 11 new domestic orders during the quarter.

■ Capex, capitalization, and works in hand:

- FY26 capitalization target at INR220b, with quarterly phasing: 2Q- INR30b, 3Q INR70b, and 4Q- INR80b.
- Capitalization target for FY27- INR200-250b.
- The capex target has been maintained for FY26 at INR280b (RTM: INR35.5b, TBCB: INR190.6, and others: INR53.8b).
- Capex target for FY27/FY28 : INR350b/INR450b.
- Work in hand at INR1.48t, including INR999b for TBCB projects, INR90b for ongoing RTM projects, INR370b for new RTM projects, and INR26b for other projects (Most values are based on NCT cost except Khavda–Nagpur, where actual cost is INR350b vs. NCT INR240b).

■ Sectoral outlook:

- Growth in the transmission network is driven by India's 2032 targets: 600GW non-fossil capacity, 71GW demand from green hydrogen, and 83GW of energy storage (47 GW BESS + 36 GW pumped hydro).
- As per the National Electricity Plan (NEP), over INR9t of transmission projects will be completed by FY32; hence, all should be awarded by FY30. Of this, only INR3t has been awarded so far, implying that the remaining INR6t must be bid out over the next five years, averaging ~INR1t of bidding annually.

■ New projects:

- INR290b worth of projects are approved, for which bids are yet to come. Projects worth ~INR390b have already been bid out, which are due for bid submission. Thus, ~INR670b projects are expected to be finalized in FY26, and the company aims to win at least 50-60% of these.
- In addition, ~INR750b worth projects which have been recently approved in NCT are expected to be bid out in the future.
- So, in total, ~INR1.4t worth of projects are currently up for grabs.

■ **New Business Segments and Strategic Initiatives**

- Expanding presence in green hydrogen, BESS, and solar (Participating in 2,000MW/4,000 MWh BESS tender in Rajasthan).
- The aim is to become a significant player in green hydrogen and BESS over the next 2-3 years.

■ **RoW challenges**

- Right of Way (RoW) remains a key hurdle in meeting capitalization targets.
- A special women-led cell was created to expedite RoW issues.
- Offering fair compensation to landowners, the Mar'25 guidelines mandate a shift from circle rate to market rate (typically 4-6x higher).
- RoW progress seen in Gujarat, Maharashtra, and parts of Rajasthan; still challenging in Delhi and Haryana.

■ **Leh HVDC project:**

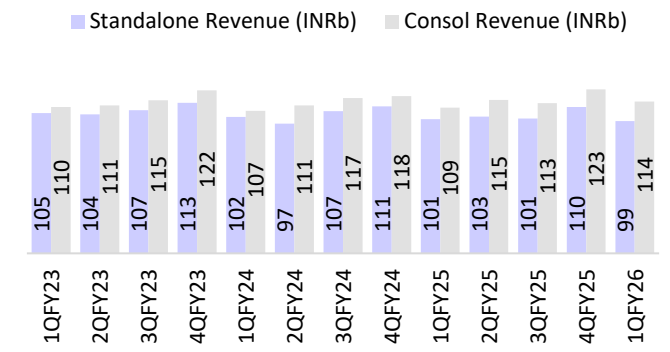
- The Leh transmission project presents significant challenges as it's working at a height of 4500m-5000m. Currently, only one party is interested and has submitted queries, which are expected to be resolved within the next 2 months, following which the order is likely to be awarded to that HVDC OEM.
- Simultaneously, the company is also evaluating the technical and economic feasibility of an AC transmission alternative.

■ **Revenue pressure from the RTM projects drives the need for continuous commissioning.**

- Currently, ~90% of the revenue is derived from RTM projects, which follow a regulated tariff structure as per CERC norms under which, depreciation is charged at 5.28% for the first 12 years, post which it declines to ~1.8%, resulting in a corresponding reduction in tariff—and hence, revenue— as every year some or the other project is completing 12 years. Similarly, for loans also, period is 10-12 years post which the interest on loan which is pass through which we get in revenue also reduces every year.
- As a result, RTM project revenues are reducing every year, which is being compensated for by revenue from TBCB projects. So, if the company commissions more projects, only then will the revenue grow.
- Transformer costs have risen 10- 20% annually, nearly doubling in the last seven years.

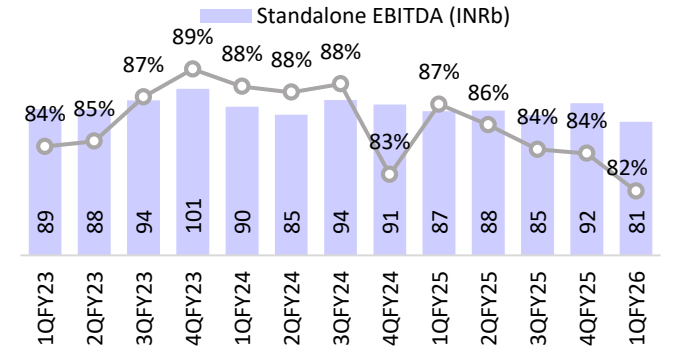
Story in charts – 1QFY26

Exhibit 1: SA and consolidated revenue



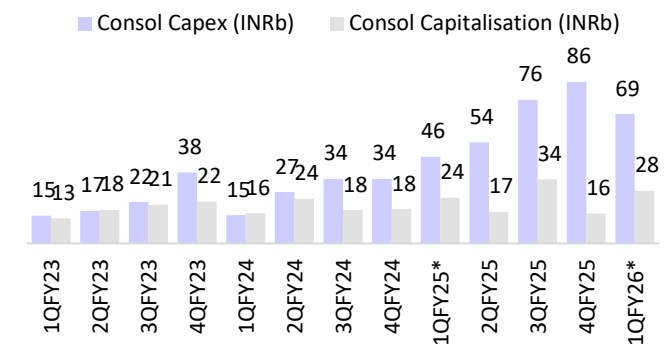
Source: Company, MOFSL

Exhibit 2: SA EBITDA (INR b) and EBITDA margin



Source: Company, MOFSL

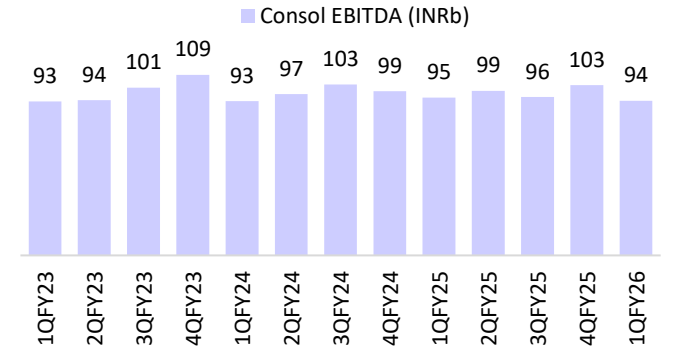
Exhibit 3: Consol. capex and capitalization



*Capitalisation till Apr-Jul

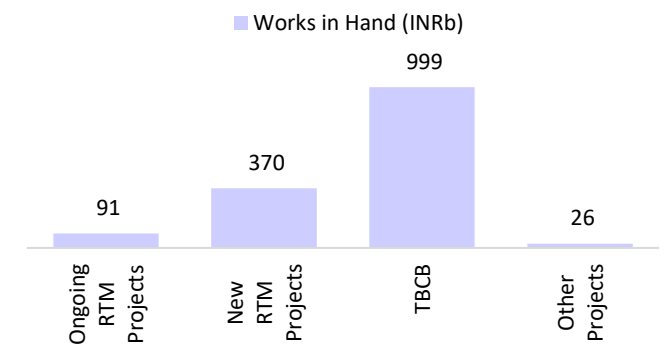
Source: Company, MOFSL

Exhibit 4: Consol. EBITDA (INRb)



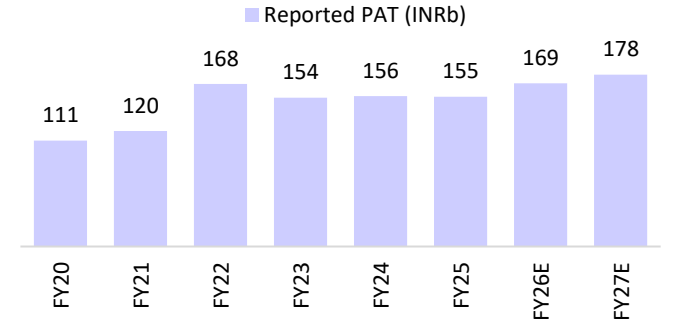
Source: Company, MOFSL

Exhibit 5: Works in hand (as of 26th Jul'26)



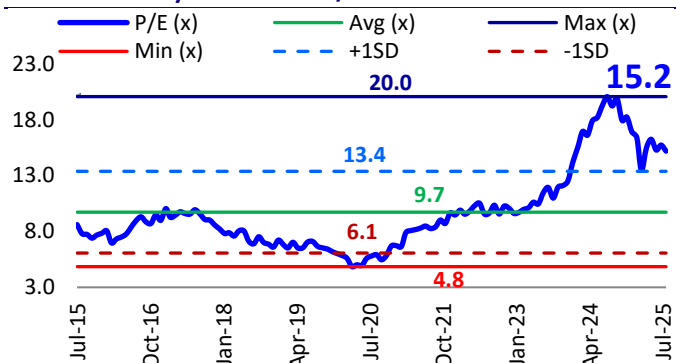
Source: Company, MOFSL

Exhibit 6: Consol. PAT growth over FY20-27E



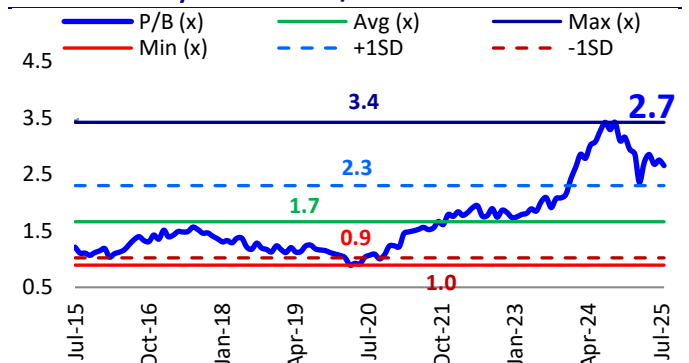
Source: Company, MOFSL

Exhibit 7: One-year forward P/E



Source: Company, MOFSL

Exhibit 8: One-year forward P/B



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement

(INR m)

| Y/E March | FY23 | FY24 | FY25 | FY26E | FY27E |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Sales | 4,58,517 | 4,52,717 | 4,60,686 | 4,98,525 | 5,30,570 |
| Change (%) | 11.6 | -1.3 | 1.8 | 8.2 | 6.4 |
| Expenditure | 61,032 | 59,402 | 67,270 | 75,249 | 86,048 |
| Gross Profit | 4,58,517 | 4,52,717 | 4,60,686 | 4,98,525 | 5,30,570 |
| EBITDA | 3,97,485 | 3,93,315 | 3,93,417 | 4,23,276 | 4,44,522 |
| % of Net Sales | 86.7 | 86.9 | 85.4 | 84.9 | 83.8 |
| Depreciation | 1,33,334 | 1,30,953 | 1,29,042 | 1,38,370 | 1,46,528 |
| Interest | 96,339 | 87,728 | 87,001 | 93,024 | 94,758 |
| Other Income | 10,025 | 10,700 | 16,671 | 17,199 | 19,093 |
| PBT before EO | 1,77,837 | 1,85,335 | 1,94,045 | 2,09,081 | 2,22,329 |
| EO income (expense) | 0 | 0 | 0 | 2,143 | 0 |
| PBT after EO | 1,77,837 | 1,85,335 | 1,94,045 | 2,11,224 | 2,22,329 |
| Tax | 22,819 | 29,408 | 37,728 | 41,307 | 43,488 |
| Rate (%) | 12.8 | 15.9 | 19.4 | 19.6 | 19.6 |
| Share of JVs and asso. | -821 | -196 | -1,103 | -1,103 | -1,103 |
| Reported PAT | 1,54,197 | 1,55,732 | 1,55,214 | 1,68,814 | 1,77,739 |
| Adjusted PAT | 1,54,197 | 1,55,732 | 1,55,214 | 1,67,090 | 1,77,739 |
| Change (%) | 10.3 | 1.0 | -0.3 | 7.7 | 6.4 |

Balance Sheet

(INR m)

| Y/E March | FY23 | FY24 | FY25 | FY26E | FY27E |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Share Capital | 69,755 | 93,006 | 93,006 | 93,006 | 93,006 |
| Reserves | 7,60,391 | 7,78,445 | 8,33,622 | 9,02,612 | 9,78,805 |
| Net Worth | 8,30,145 | 8,71,451 | 9,26,628 | 9,95,618 | 10,71,811 |
| Loans | 12,65,949 | 12,34,486 | 13,09,650 | 13,19,820 | 12,82,996 |
| Deferred Rev. & tax | 2,08,424 | 1,97,604 | 1,07,054 | 1,20,864 | 1,20,864 |
| Capital Employed | 23,04,518 | 23,03,542 | 23,43,332 | 24,36,302 | 24,75,671 |
| Gross Fixed Assets | 27,01,123 | 27,55,311 | 28,29,949 | 30,64,233 | 33,73,233 |
| Less: Depreciation | 8,46,753 | 9,77,706 | 11,06,747 | 12,26,056 | 13,61,993 |
| Net Fixed Assets | 18,54,370 | 17,77,606 | 17,23,202 | 18,38,177 | 20,11,240 |
| Capital WIP | 1,37,723 | 1,81,975 | 3,35,851 | 3,59,551 | 3,77,721 |
| Investments | 34,891 | 41,632 | 31,167 | 63,883 | 63,883 |
| Other Assets | 4,75,971 | 5,07,693 | 5,70,853 | 7,78,913 | 7,39,447 |
| Inventory | 13,400 | 14,063 | 18,025 | 13,510 | 14,350 |
| Debtors | 1,36,945 | 1,18,341 | 79,648 | 78,907 | 82,253 |
| Cash & Bank Balance | 73,846 | 74,951 | 1,00,772 | 1,57,484 | 1,00,725 |
| Other Current Assets | 1,33,195 | 1,75,900 | 1,96,939 | 3,79,849 | 3,92,955 |
| Loans & Advances | 1,18,585 | 1,24,438 | 1,75,469 | 1,49,164 | 1,49,164 |
| Other Liabilities | 1,98,438 | 2,05,364 | 3,17,740 | 6,04,222 | 7,16,619 |
| Net Current Assets | 2,77,534 | 3,02,330 | 2,53,113 | 1,74,691 | 22,827 |
| Application of Funds | 23,04,518 | 23,03,542 | 23,43,332 | 24,36,302 | 24,75,671 |

Financials and valuations

Ratios

| Y/E March | FY23 | FY24 | FY25 | FY26E | FY27E |
|---------------------------------|------|------|------|-------|-------|
| Basic (INR) | | | | | |
| EPS | 16.6 | 16.7 | 16.7 | 18.0 | 19.1 |
| Cash EPS | 30.9 | 30.8 | 30.6 | 32.8 | 34.9 |
| Book Value | 89.3 | 93.7 | 99.6 | 107.0 | 115.2 |
| DPS | 11.1 | 11.3 | 9.0 | 9.6 | 10.0 |
| Div. Payout (incl. Tax.) | 66.7 | 67.2 | 53.9 | 53.4 | 52.3 |
| Valuation (x) | | | | | |
| P/E | 17.5 | 17.3 | 17.4 | 16.2 | 15.2 |
| Cash P/E | 9.4 | 9.4 | 9.5 | 8.8 | 8.3 |
| EV/EBITDA | 9.8 | 9.8 | 9.9 | 9.1 | 8.7 |
| Price/Book Value | 3.3 | 3.1 | 2.9 | 2.7 | 2.5 |
| Dividend Yield (%) | 3.8 | 3.9 | 3.1 | 3.3 | 3.4 |
| Profitability Ratios (%) | | | | | |
| RoE | 19.4 | 18.3 | 17.3 | 17.4 | 17.2 |
| RoCE | 10.3 | 10.0 | 9.7 | 10.2 | 10.4 |
| RoIC | 11.1 | 10.9 | 11.0 | 12.3 | 12.7 |
| Turnover Ratios | | | | | |
| Debtors (Days) | 109 | 95 | 63 | 58 | 57 |
| Inventory (Days) | 9 | 9 | 9 | 7 | 6 |
| Current Liabilities (Days) | 134 | 132 | 165 | 292 | 305 |
| Asset Turnover (x) | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Leverage Ratio | | | | | |
| Net Debt/EBITDA | 3.0 | 2.9 | 3.1 | 2.7 | 2.7 |
| Debt/Equity (x) | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 |

Cash Flow Statement

| Y/E March | FY23 | FY24 | FY25 | FY26E | FY27E |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| PBT before EO Items | | | | | |
| Depreciation | 1,33,334 | 1,30,953 | 1,29,042 | 1,38,370 | 1,46,528 |
| Interest | 96,339 | 87,728 | 87,001 | 93,024 | 94,758 |
| Others | 869 | -13,363 | -19,297 | -17,199 | -19,093 |
| (Inc)/Dec in WC | 25,486 | 10,532 | 7,095 | 1,35,133 | 95,105 |
| Direct Taxes Paid | -28,530 | -33,807 | -31,787 | -41,307 | -43,488 |
| CF from Operations | 4,02,029 | 3,72,895 | 3,62,233 | 5,17,102 | 4,96,139 |
| (Inc)/Dec in FA | -82,426 | -1,14,037 | -2,41,113 | -2,57,984 | -3,27,170 |
| FCF | 3,19,602 | 2,58,858 | 1,21,120 | 2,59,118 | 1,68,969 |
| (Pur)/Sale of Investments | 11,044 | -17,107 | 5,780 | 16,097 | 17,990 |
| CF from Investments | -71,383 | -1,31,144 | -2,35,333 | -2,41,887 | -3,09,180 |
| Equity raised | 0 | 0 | 0 | 0 | 0 |
| Others | -2,787 | 18,388 | 22,493 | -46,364 | -19,130 |
| (Inc)/Dec in Debt | -1,32,578 | -53,168 | 66,385 | 10,170 | -36,824 |
| Interest Paid | -86,468 | -93,677 | -92,300 | -93,024 | -94,758 |
| Dividend Paid | -85,449 | -1,12,189 | -97,656 | -89,286 | -93,006 |
| CF from Fin. Activity | -3,07,282 | -2,40,646 | -1,01,079 | -2,18,504 | -2,43,718 |
| Inc/Dec of Cash | 23,364 | 1,105 | 25,821 | 56,711 | -56,759 |
| Add: Beginning Balance | 50,482 | 73,846 | 74,951 | 1,00,772 | 1,57,484 |
| Closing Balance | 73,846 | 74,951 | 1,00,772 | 1,57,484 | 1,00,725 |

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

NOTES

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

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

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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| Ms. Kumud Upadhyay | 022 40548082 | servicehead@motilaloswal.com |
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