Motilal Oswal Financial Services

5 November 2025

2QFY26 Result Update | Sector: Utilities

Power Grid Corporation of India

Estimate change	↓
TP change	↓
Rating change	↓

Bloomberg	PWGR IN
Equity Shares (m)	9301
M.Cap.(INRb)/(USDb)	2595.3 / 29.3
52-Week Range (INR)	345 / 247
1, 6, 12 Rel. Per (%)	-7/-13/-18
12M Avg Val (INR M)	3860

Financials & Valuations (INRb)

Y/E March	FY26E	FY27E	FY28E
Sales	488.8	519.5	542.8
EBITDA	416.2	436.8	449.4
Adj. PAT	163.4	177.1	185.4
Adj. EPS (INR)	17.6	19.0	19.9
EPS Gr. (%)	5.3	8.3	4.7
BV/Sh.(INR)	106.6	114.1	122.3
Ratios			
Net D:E	1.3	1.3	1.3
RoE (%)	17.0	17.2	16.9
RoCE (%)	9.6	9.6	9.2
Payout (%)	54.6	52.5	50.2
Valuations			
P/E (x)	15.9	14.7	14.0
P/BV (x)	2.6	2.4	2.3
EV/EBITDA (x)	9.0	8.6	8.4
Div. Yield (%)	3.4	3.6	3.6
FCF Yield (%)	9.2	7.8	5.2

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	51.3	51.3	51.3
DII	19.4	18.6	16.9
FII	25.7	26.5	28.3
Others	3.6	3.6	3.5

FII Includes depository receipts

CMP: INR279 TP: INR300 (+8%) Downgrade to Neutral

Weak capitalization clouds outlook

- In 2QFY26, Power Grid Corporation (PWGR) reported a standalone (SA) revenue of INR100b (-3% YoY), 6% below our estimate. EBITDA was 13% below our estimate at INR80.1b (-9% YoY), hit by a 55% YoY surge in other expenses. Reported PAT was INR35.5b, 4% below estimates (-4%YoY), supported by higher other income, lower depreciation (likely due to reduced capitalization), and a positive net regulatory deferral movement of INR 5.2b. Adj. SA PAT was 16% below our est. of INR31.2b, mainly due to a miss at the EBITDA level.
- In the analyst meet, management reiterated its capex guidance of INR280b/INR350b/INR450b for FY26/FY27/FY28, respectively. However, the capitalization target for FY26 might be on the lower side of INR200-220b, owing to persistent issues related to right-of-way (RoW).
- We downgrade PWGR to Neutral as we cut out FY26/27 Adj. PAT by 6%/4%. The cut to our estimate and our more cautious view is attributed to the slower-than-expected pace of capitalization, with PWGR capitalizing INR45b in 1HFY26 vs. the previously guided FY26 target of INR220b. While RoW issues have improved somewhat in recent months, we believe the risk to the company falling short of its FY26 capitalization target of INR200-220b remains elevated. While the medium-to-long term project pipeline continues to improve, we await more clarity on the resolution of near-term execution issues before forming a positive outlook.
- The stock is trading at FY27 P/B of 2.4x vs. the long-term avg. of 1.7x. We derive our TP of INR300 for PWGR based on Dec'27 BVPS and a P/B multiple of 2.5x (earlier 3x).

Earnings miss estimates due to higher other expenses

- **Standalone (SA) Performance:**
  - In 2QFY26, PWGR reported SA revenue of INR100b (-3% YoY,+1% QoQ), missing our estimate by 6%. EBITDA was 13% below our estimate at INR80.1b (-9% YoY, -1% QoQ), hit by a 55% YoY growth in other expenses.
  - Reported PAT came in 4% below our estimate at INR35.5b (-4% YoY, -3% QoQ), supported by higher-than-expected other income, lower-than-expected depreciation (likely due to lower capitalization), and positive net movement in regulatory deferral account balances of INR5.2b.
  - Adj. PAT was 16% below our estimate at INR31.2b (-11%YoY,-10% QoQ), mainly due to a miss at the EBITDA level.
- **Consolidated Performance:**
  - Consolidated operating revenue came in at INR114.76b, improving 2% YoY, while reported PAT declined ~6% YoY to INR35.7b.
  - The transmission segment remained the primary revenue driver, contributing 92% of total income (INR116.7b).
  - In 2QFY26, its JVs reported a loss of INR0.6b (vs. a loss of INR1b/INR0.4b in 2QFY25/1QFY26).

Abhishek Nigam – Research Analyst (Abhishek.Nigam@MotilalOswal.com)
Preksha Daga – Research Analyst (Preksha.Daga@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.

- **Other Matters:**
  - The Board of Directors approved the payment of the first interim dividend of INR4.5/share.
  - The Board further approved raising of funds through an unsecured rupee term loan/line of credit up to INR60b from SBI.

Highlights of the 2QFY26 performance:

- In 2QFY26, PWGR added ~205 ckm of transmission lines and 11,185 MVA transformation capacity.
- System availability stood at 99.83% in 1HFY26, with 0.09 trippings per line per year.
- Capex and capitalization in 1HFY26 were INR153.8b and INR45.8b, respectively. FY26 capex target of INR280b (TBCB: INR190.6b, RTM: INR35.5b, others: INR53.8b) has been maintained, with a potential to rise to INR300b.
- Capex targets for FY27/FY28 were reiterated at INR350b/INR450b, and capitalization targets at INR200b/250b/280b for FY26/27/28.
- Work in hand totals INR1.52t, including INR1,030b in TBCB projects.
- In the Brahmaputra Basin, the Ministry of Power has outlined a development plan requiring investments of about INR1.91t by 2035 and INR4.52t thereafter, presenting a total opportunity of INR6.43t. The project, currently under study, is an HVDC project in plain terrain and may follow the TBCB route.
- For the Leh–Ladakh HVDC project, the single bid received was not acceptable. The government is now considering replacing the HVDC system with an AC alternative costing ~INR 300b.
- The company participated in several BESS tenders but did not win any; it remains committed to future opportunities.

Valuation and view

We derive our TP of INR300 for PWGR based on Dec'27 BVPS and a P/B multiple of 2.5x.

Standalone Quarterly Performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%	%	%
Sales	**100.7**	**102.6**	**101.2**	**109.8**	**99.3**	**100.0**	**102.1**	**116.6**	**414.3**	**417.9**	**106.9**	**-6%**	**-3%**	**1%**
YoY Change (%)	-1.7	5.3	-5.2	-0.6	-1.4	-2.5	0.9	6.1	-0.9	0.9	4.2			
EBITDA	**87.4**	**87.9**	**85.2**	**92.2**	**81.2**	**80.1**	**86.3**	**109.2**	**352.8**	**356.8**	**92.2**	**-13%**	**-9%**	**-1%**
YoY Change (%)	-2.9	3.0	-9.3	0.9	-7.2	-8.8	1.3	18.4	-2.5	1.1	4.9			
As of % Sales	86.8	85.6	84.2	84.0	81.8	80.1	84.6	93.6	85.1	85.4	86.2			
Depreciation	30.7	31.6	30.7	30.4	29.7	30.6	31.4	34.4	123.5	126.1	33.6	-9%	-3%	3%
Interest	21.6	26.0	21.3	25.9	23.0	25.6	21.6	26.1	94.8	96.4	25.8	-1%	-2%	11%
Other Income	7.8	11.2	14.9	15.0	13.3	13.5	15.1	7.8	48.9	49.6	11.5	17%	20%	2%
Regulatory/Extraordinary items	-0.6	2.5	0.4	0.5	2.1	5.2	0.0	0.0	2.8	7.3	0.0			
PBT	**42.3**	**43.9**	**48.5**	**51.4**	**43.9**	**42.6**	**48.4**	**56.4**	**186.2**	**191.3**	**44.2**	**-4%**	**-3%**	**-3%**
Tax	8.2	6.8	9.6	8.1	7.3	7.1	10.1	9.9	32.7	34.5	7.0	1%	4%	-3%
Effective Tax Rate (%)	19.4	15.5	19.8	15.7	16.7	16.6	20.9	17.6	17.5	18.0	15.9			
Reported PAT	**34.1**	**37.1**	**38.9**	**43.4**	**36.5**	**35.5**	**38.3**	**46.4**	**153.5**	**156.8**	**37.2**	**-4%**	**-4%**	**-3%**
YoY Change (%)	-3.7	-3.2	-1.9	5.0	7.1	-4.2	-1.7	7.1	-0.8	2.1	0.2			
Adjusted PAT	**34.6**	**35.0**	**38.6**	**42.9**	**34.7**	**31.2**	**38.3**	**46.4**	**151.2**	**150.7**	**37**	**-16%**	**-11%**	**-10%**
YoY Change (%)	-8.7	4.8	-0.4	0.5	0.4	-10.9	-0.8	8.1	-1.1	-0.3	6.2			

Our valuation for PWGR

BVPS- Dec'27	INR	120
P/B multiple	(x)	2.5
Target Price	**INR**	**300**
CMP	INR	279
Upside / (Downside)	**%**	**7%**

CONFERENCE CALL

Highlights from the management commentary

- **Financial performance:**
  - In 2QFY26, ~205ckm of transmission lines and 11,185MVA transformation capacity were added.
  - Up to 1HFY26, transmission system availability was 99.83%, and trippings per line per year stood at 0.09.
  - During the quarter, billing of INR98.2b was done, while realization was INR100.4b.
  - Debt stood at INR1,359b, and net worth was INR989b.
  - Gross fixed assets stand at INR2,951b and CWIP- INR477b.
  - Outstanding dues stood at INR28.9b, down from INR31.5b in 1QFY26, with major dues primarily from Tamil Nadu, Uttar Pradesh, and Telangana.
- **Project execution**
  - Transformation capacity additions:
    - Commissioned three 1,500 MVA ICTs at Khavda-3, two 1,500 MVA ICTs each at Ahmedabad, Navsari, and Fatehgarh-3, and one 1,500 MVA ICT at Bikaner.
    - Additional ICTs commissioned include six at 400 kV Kurnool, two at New Navsari, one each at Nalagarh, Hassan, and Fatehgarh-3 stations.
  - Transmission line commissioning:
    - Completed Khavda–Khavda-3, Banaskantha–Ahmedabad (765 kV), Banaskantha–Sankhari, and the Jaipur–Jagdalpur inter-regional link connecting the Western and Eastern regions.
    - Successfully looped in Agra–Jaipur at Dausa and commissioned both circuits of the Navsari–Katalgudi line, five months ahead of schedule.
  - Substation commissioning:
    - Commissioned 765/400 kV substations at Khavda-3, Khavda-2, Ahmedabad, and Dausa.
    - Commissioned 220 kV underground cable at Zojila Pass, a technically critical project.
    - Additional commissioning included 765/400 kV substations at Narela, Kishanpur–Kishtwar, and ICT-4 at Kurnool-3.
- **Telecom and consultancy division highlights:**
  - Customer growth in the telecom division: Added 22 new customers; revenue was INR5.7b in 1HFY26 (vs. INR5.4b 1HFY25).
  - 1HFY26 consultancy income rose to INR8.2b from INR2.5b in 1HFY26, driven primarily by growth in the smart meter business.
  - The company received 3 new international and 15 new domestic consultancy orders during the quarter.
- **Capex, capitalization, and works in hand:**
  - Capex and capitalization done in 1HFY26 were INR153.8b and 45.8b, respectively.
  - FY26 capex target was maintained at INR280b (TBCB- INR190.6b, RTM- INR35.5b and others- 53.8b), with a potential to rise to INR280-300b.

- Capex target for FY27/FY28 was re-iterated at INR350b/INR450b.
- FY26 capitalization target might reduce to INR200b from INR220b. Capitalization target for FY27/28 is INR250/280b.
- Work in hand is at INR1.52t, including INR1,030b for TBCB projects, INR95b for ongoing RTM projects, INR371b for new RTM projects, and INR27b for other projects.

- **New opportunities:**
- In the Brahmaputra Basin, the Ministry of Power has announced a development plan requiring investments of about INR1.91t by 2035 and INR4.52t thereafter, presenting a total opportunity of INR6.43t. The plan includes 42 GW of HVDC corridors with major stations at Namsai, Roing, Niglog, Shilapathar, Gogamukh, and Rauta for bulk power transfer from the Northeast to the rest of India, along with the PSP integration of 3.7 GW by 2035 and 7.4 GW beyond. The project, currently in the study stage, is an HVDC project in plain area and might follow the TBCB route.

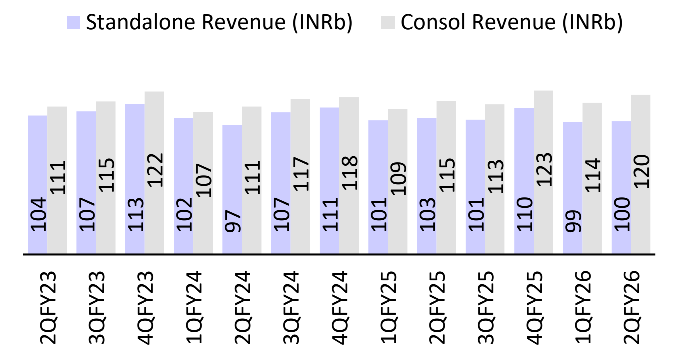
- **RoW challenges**
- The company is facing RoW challenges from landowners; however, the Government of India has been supportive. A new guideline issued on March 21, 2025 revised RoW compensation rates from 30% to 60% in urban areas and to 45% in semi-urban areas, with payments now linked to actual market rates instead of circle rates. The guideline outlines a valuation process involving three independent valuers—nominated by farmers, Power Grid, and the District Magistrate—to determine fair compensation.
- States such as Delhi and Haryana have already adopted these guidelines, with others following suit. The transition to this new framework has caused some project delays, with commissioning now expected in 3Q and 4QFY26.

- **Leh HVDC project:**
- The Leh–Ladakh HVDC project had received a single bid, which was not found acceptable. Given the significant escalation in project cost from the initially planned INR240b to ~INR420b, the feasibility of executing the project under the HVDC configuration is under reconsideration. The Government of India is evaluating the possibility of replacing the HVDC system with an AC transmission alternative, estimated to cost ~300b. The project timeline should remain unchanged, with commissioning targeted by 2029 under the proposed AC configuration.

- **Other highlights**
- The Khavda–South Olpad transmission project has been finalized, while the Barmer–South Kalamb project is expected to be finalized within the current financial year, having already received NCT approval. Other projects are expected to take additional time for completion.
- The company participated in several BESS tenders but was not awarded any contracts. It remains committed to actively participating in upcoming tenders.
- Other expenses rose 77%, primarily due to foreign exchange rate variation (FERV), which is a pass-through item reflected under regulatory deferral adjustments. Additionally, the increase includes expenses of around INR4.5b related to the smart metering business, accounted for under the service concession agreement, with corresponding income booked on the revenue side. Hence, the rise in expenses is largely neutral in impact.

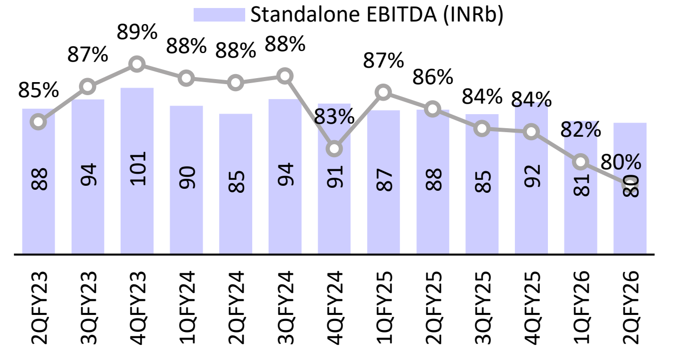
Story in charts – 2QFY26

Exhibit 1: SA and consolidated revenue



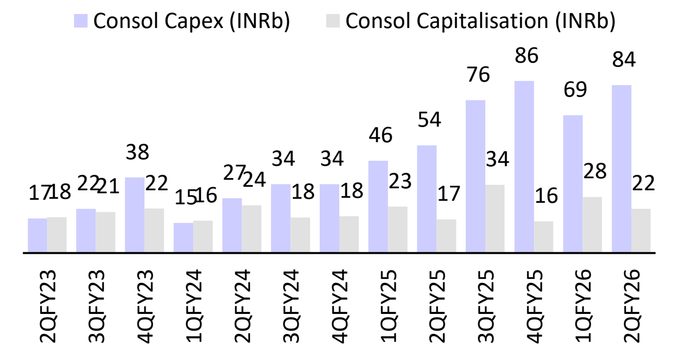
Source: Company, MOFSL

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



Source: Company, MOFSL

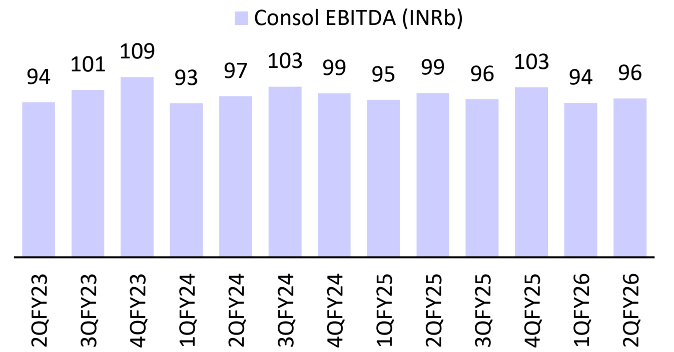
Exhibit 3: Consol. capex and capitalization



*Capitalisation till Apr-July

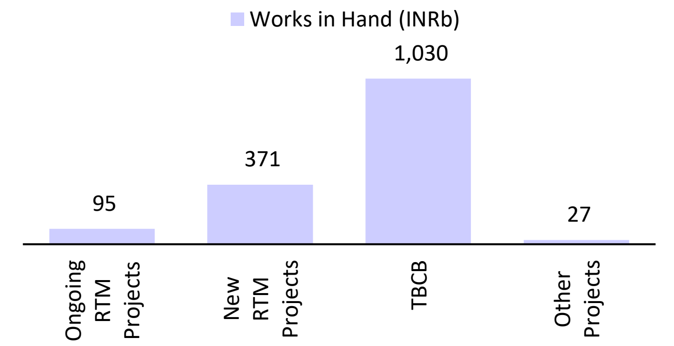
Source: Company, MOFSL

Exhibit 4: Consol. EBITDA (INRb)



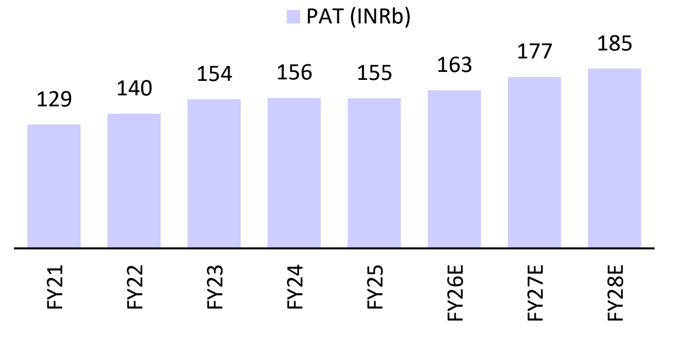
Source: Company, MOFSL

Exhibit 5: Works in hand (30th Sep'25)



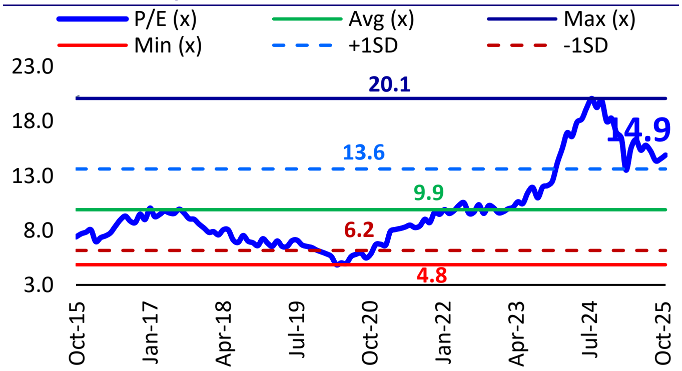
Source: Company, MOFSL

Exhibit 6: Consol. PAT growth over FY21-28E



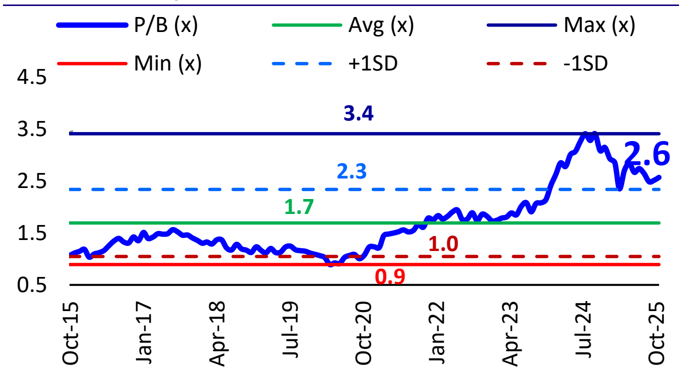
Source: Company, MOFSL

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**	**FY28E**
Net Sales	**4,58,517**	**4,52,717**	**4,60,686**	**4,88,837**	**5,19,500**	**5,42,795**
Change (%)	11.6	-1.3	1.8	6.1	6.3	4.5
Expenditure	61,032	59,402	67,270	72,635	82,688	93,431
Gross Profit	**4,58,517**	**4,52,717**	**4,60,686**	**4,88,837**	**5,19,500**	**5,42,795**
EBITDA	**3,97,485**	**3,93,315**	**3,93,417**	**4,16,201**	**4,36,813**	**4,49,364**
% of Net Sales	86.7	86.9	85.4	85.1	84.1	82.8
Depreciation	1,33,334	1,30,953	1,29,042	1,33,201	1,39,714	1,46,501
Interest	96,339	87,728	87,001	88,577	85,491	82,068
Other Income	10,025	10,700	16,671	7,367	8,563	9,819
PBT before EO	**1,77,837**	**1,85,335**	**1,94,045**	**2,01,790**	**2,20,171**	**2,30,614**
EO income (expense)	0	0	0	7,335	0	0
PBT after EO	**1,77,837**	**1,85,335**	**1,94,045**	**2,09,126**	**2,20,171**	**2,30,614**
Tax	22,819	29,408	37,728	38,598	42,018	44,079
Rate (%)	12.8	15.9	19.4	18.5	19.1	19.1
Share of JVs and asso.	-821	-196	-1,103	-1,103	-1,103	-1,103
Reported PAT	**1,54,197**	**1,55,732**	**1,55,214**	**1,69,425**	**1,77,050**	**1,85,433**
Adjusted PAT	**1,54,197**	**1,55,732**	**1,55,214**	**1,63,444**	**1,77,050**	**1,85,433**
Change (%)	10.3	1.0	-0.3	5.3	8.3	4.7

Balance Sheet						(INR m)
Y/E March	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Share Capital	69,755	93,006	93,006	93,006	93,006	93,006
Reserves	7,60,391	7,78,445	8,33,622	8,98,465	9,68,435	10,44,849
Net Worth	**8,30,145**	**8,71,451**	**9,26,628**	**9,91,471**	**10,61,441**	**11,37,855**
Loans	12,65,949	12,34,486	13,09,650	13,11,012	13,62,255	15,09,309
Deferred Rev. & tax	2,08,424	1,97,604	1,86,645	2,00,455	2,00,455	2,00,455
Capital Employed	**23,04,518**	**23,03,542**	**24,22,923**	**25,02,938**	**26,24,152**	**28,47,619**
Gross Fixed Assets	27,01,123	27,55,311	28,38,222	32,17,379	35,27,379	38,87,379
Less: Depreciation	8,46,753	9,77,706	11,15,020	12,35,523	13,66,285	15,01,722
Net Fixed Assets	**18,54,370**	**17,77,606**	**17,23,202**	**19,81,856**	**21,61,094**	**23,85,658**
Capital WIP	1,37,723	1,81,975	3,35,851	2,34,349	2,47,819	3,04,172
Investments	34,891	41,632	31,167	33,883	33,883	21,828
Other Assets	**4,75,971**	**5,07,693**	**5,70,853**	**7,19,994**	**7,94,279**	**9,13,319**
Inventory	13,400	14,063	18,025	13,510	13,845	14,411
Debtors	1,36,945	1,18,341	79,648	78,907	79,545	83,191
Cash & Bank Balance	73,846	74,951	1,00,772	1,58,501	2,18,158	3,18,564
Other Current Assets	1,33,195	1,75,900	2,34,759	3,57,669	3,70,776	3,84,210
Loans & Advances	1,18,585	1,24,438	1,37,649	1,11,407	1,11,956	1,12,943
Other Liabilities	**1,98,438**	**2,05,364**	**2,38,149**	**4,67,145**	**6,12,925**	**7,77,358**
Net Current Assets	**2,77,534**	**3,02,330**	**3,32,704**	**2,52,849**	**1,81,354**	**1,35,961**
Application of Funds	**23,04,518**	**23,03,542**	**24,22,923**	**25,02,938**	**26,24,152**	**28,47,619**

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)						
EPS	**16.6**	**16.7**	**16.7**	**17.6**	**19.0**	**19.9**
Cash EPS	30.9	30.8	30.6	31.9	34.1	35.7
Book Value	89.3	93.7	99.6	106.6	114.1	122.3
DPS	9.8	11.3	9.0	9.6	10.0	10.0
Div.Payout (incl. Tax.)	58.8	67.2	53.9	54.6	52.5	50.2
Valuation (x)						
P/E	16.8	16.7	16.7	15.9	14.7	14.0
Cash P/E	9.0	9.1	9.1	8.7	8.2	7.8
EV/EBITDA	9.5	9.5	9.7	9.0	8.6	8.4
Price/Book Value	3.1	3.0	2.8	2.6	2.4	2.3
Dividend Yield (%)	3.5	4.0	3.2	3.4	3.6	3.6
Profitability Ratios (%)						
RoE	19.4	18.3	17.3	17.0	17.2	16.9
RoCE	10.3	10.0	9.6	9.6	9.6	9.2
RoIC	11.1	10.9	10.8	11.4	11.4	11.3
Turnover Ratios						
Debtors (Days)	109	95	63	59	56	56
Inventory (Days)	9	9	9	6	6	5
Current Liabilities (Days)	134	132	124	222	265	296
Asset Turnover (x)	0.2	0.3	0.3	0.2	0.2	0.2
Leverage Ratio						
Net Debt/EBITDA	3.0	2.9	3.1	2.8	2.6	2.6
Debt/Equity (x)	1.5	1.4	1.4	1.3	1.3	1.3

Cash Flow Statement (INR m)

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT before EO Items	**1,74,531**	**1,90,853**	**1,90,179**	**2,01,790**	**2,20,171**	**2,30,614**
Depreciation	1,33,334	1,30,953	1,29,042	1,33,201	1,39,714	1,46,501
Interest	96,339	87,728	87,001	88,577	85,491	82,068
Others	869	-13,363	-19,297	-7,367	-8,563	-9,819
(Inc)/Dec in WC	25,486	10,532	7,095	1,37,583	1,31,152	1,45,800
Direct Taxes Paid	-28,530	-33,807	-31,787	-38,598	-42,018	-44,079
CF from Operations	**4,02,029**	**3,72,895**	**3,62,233**	**5,15,187**	**5,25,946**	**5,51,085**
(Inc)/Dec in FA	-82,426	-1,14,037	-2,41,113	-2,77,656	-3,23,471	-4,16,353
FCF	3,19,602	2,58,858	1,21,120	2,37,531	2,02,476	1,34,732
(Pur)/Sale of Investments	11,044	-17,107	5,780	6,265	7,460	8,716
CF from Investments	**-71,383**	**-1,31,144**	**-2,35,333**	**-2,71,391**	**-3,16,010**	**-4,07,637**
Equity raised	0	0	0	0	0	0
Others	-2,787	18,388	22,493	-9,565	-23,027	-15,022
(Inc)/Dec in Debt	-1,32,578	-53,168	66,385	1,362	51,244	1,47,054
Interest Paid	-86,468	-93,677	-92,300	-88,577	-85,491	-82,068
Dividend Paid	-85,449	-1,12,189	-97,656	-89,286	-93,006	-93,006
CF from Fin. Activity	**-3,07,282**	**-2,40,646**	**-1,01,079**	**-1,86,067**	**-1,50,280**	**-43,042**
Inc/Dec of Cash	**23,364**	**1,105**	**25,821**	**57,729**	**59,657**	**1,00,406**
Add: Beginning Balance	50,482	73,846	74,951	1,00,772	1,58,501	2,18,158
Closing Balance	**73,846**	**74,951**	**1,00,772**	**1,58,501**	**2,18,158**	**3,18,564**

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

N O T E S

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://onlinereports.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, it's 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:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) 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 it's 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) 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.
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	**Power Grid Corporation of India**
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 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 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. 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 of Singapore .Accordingly, if a Singapore person is not, or ceases to be, such an investor, they 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.

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.