

G R Infraprojects

Estimate change

TP change

Rating change



Bloomberg	GRINFRA IN
Equity Shares (m)	97
M.Cap.(INRb)/(USDb)	106.7 / 1.3
52-Week Range (INR)	1465 / 930
1, 6, 12 Rel. Per (%)	10/-4/-36
12M Avg Val (INR M)	62

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	81.5	90.2	107.0
EBITDA	13.1	13.1	15.8
PAT	8.5	8.1	9.7
EBITDA (%)	16.1	14.5	14.8
EPS (INR)	88.1	83.8	100.7
EPS Gr. (%)	11.5	-4.9	20.2
BV/Sh. (INR)	539.4	623.2	723.9

Ratios

Net D/E	0.2	0.2	0.1
RoE (%)	17.8	14.4	15.0
RoCE (%)	15.8	13.4	14.4
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	12.5	13.2	10.9
P/BV (x)	2.0	1.8	1.5
EV/EBITDA (x)	8.8	8.8	7.3
Div Yield (%)	0.0	0.0	0.0
FCF Yield (%)	4.4	5.2	6.0

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	79.7	79.7	86.5
DII	16.2	16.1	9.8
FII	0.5	0.4	0.3
Others	3.6	3.8	3.4

FII Includes depository receipts

CMP: INR1,103

TP: INR1,400 (+27%)

Buy

Slight miss on execution; outlook strong...
...with large order book and diversification at play

- G R Infraprojects (GRIL)'s revenue declined 12% YoY to ~INR19.9b in 4QFY23 and was marginally below our estimate. EBITDA margin stood at 14.5% (in line). EBITDA decreased 28% YoY to INR2.9b and was 8% below our estimate. Lower execution along with slightly high operating expenses dragged APAT by 28% YoY to INR1.9b (in line). Net working capital stood at 104 days at end-4QFY23 (v/s 82 days at 3Q-end).
- Despite weak order inflows during 9MFY23 primarily due to competitive intensity, 4QFY23 order inflows were strong taking the total order book position to INR195b (excl. L1) at end-Mar'23.
- The order pipeline is strong (~INR1.6t worth of projects) at present, with GRIL expecting INR200b of new project wins in FY24. The majority of the new orders are likely from the Roads segment with the balance being from Railways, Ropeways and Power Transmission.
- **We have reduced our FY24/FY25 EPS estimates by 10%/5% to factor in the cautious outlook on margin improvement with orders from new segments coming into execution. With current order book, we now expect GRIL to clock 15% revenue CAGR over FY23-25, with EBITDA margin in the 14-15% range. Reiterate BUY with a revised SoTP-based TP of INR1,400.**

Order book robust with recent order inflows; focus on diversification into new segments

- In FY23, GRIL secured new orders worth ~INR150b, spread across roads/railways/metro/ropeways. This was in line with its focus on diversification.
- The company has a robust bid pipeline, particularly in the roads segment, indicating a strong future potential. It aims to achieve total order inflows of INR200b in FY24.

Key takeaways from the management commentary

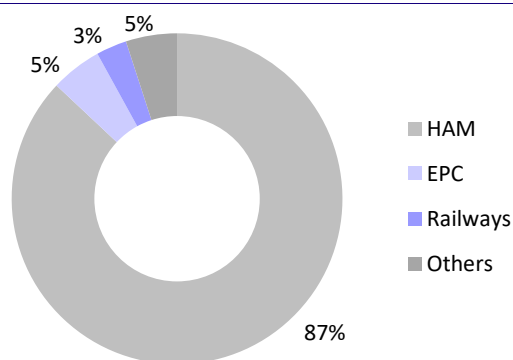
- Management has guided for 10% revenue growth in FY24 as some of the projects won recently would start contributing from FY24-end. EBITDA margin is likely to be range bound.
- GRIL expects to win INR200b of projects in FY24 of which INR100b is likely from HAM projects, INR50-60b is likely from EPC projects and the remaining from railways/metro/ropeway projects.
- Diversification is on the cards and of the new orders won, HAM projects contributed INR65b, ropeway projects (INR36b), tunneling projects (INR44b), and one Multi Modal Logistics Parks (MMLP) project contributed INR7.6b. The Letter of Award (LOA) for ropeway and tunneling project is awaited. The ropeway project is expected to commence by end of FY24.
- Management projects ~INR8b of equity infusion every year during the next two years for HAM projects.

Valuation and view

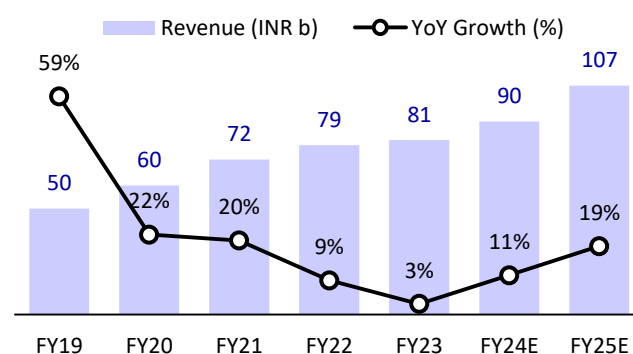
- With moderating competitive intensity for road projects, order inflows for GRIL picked up rapidly in 4QFY23. Management is expecting 10% revenue growth in FY24 and new order inflows of INR200b. As many projects would start execution at end-FY24, growth is likely to be much better from FY25.
- With current order book and robust pipeline, we expect GRIL to clock 15% revenue growth over FY23-25, with EBITDA margin in the 14-15% range. We cut our FY24/FY25 EPS estimates by 10%/5% to factor in the cautious outlook on margin improvement. **Reiterate BUY with a revised SoTP-based TP of INR1,400.**

Quarterly Performance (Standalone)

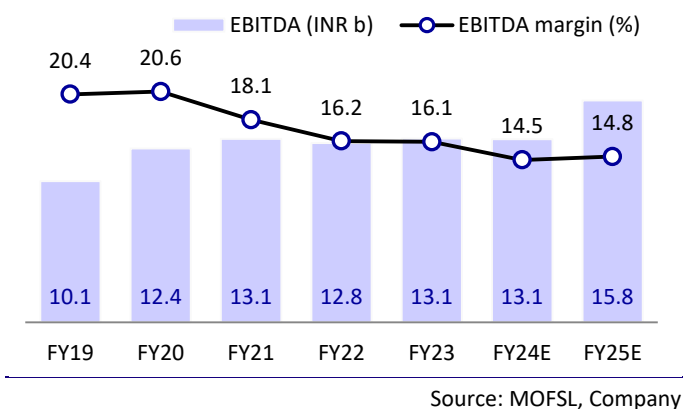
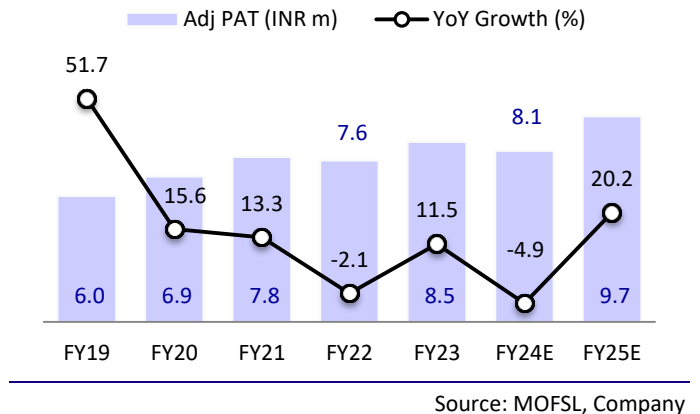
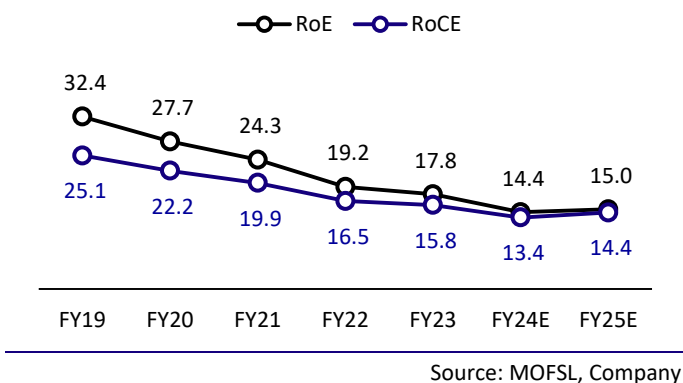
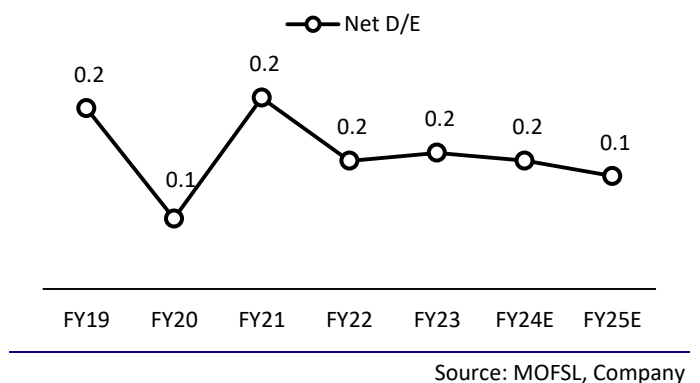
Y/E March (INR m)	FY22				FY23				FY22		FY23	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var
Net Sales	21,332	16,995	18,184	22,681	24,767	17,772	18,988	19,949	79,192	81,476	21,249	-6%
YoY Change (%)	73.2	45.5	(17.9)	(13.7)	16.1	4.6	4.4	(12.0)	9.3	2.9	(6.3)	
EBITDA	3,454	2,779	2,548	4,030	4,864	2,600	2,769	2,898	12,811	13,131	3,152	-8%
Margin (%)	16.2	16.4	14.0	17.8	19.6	14.6	14.6	14.5	16.2	16.1	14.8	
Depreciation	666	710	823	617	634	620	612	590	2,816	2,457	615	
Interest	388	311	297	273	269	236	248	269	1,269	1,022	264	
Other Income	302	339	351	331	320	519	421	549	1,324	1,809	413	
PBT before EO expense	2,702	2,098	1,779	3,470	4,281	2,263	2,329	2,589	10,050	11,462	2,685	
Extra-Ord Expense	-	-	(31)	-	-	-	-	-	(31)	-	-	
PBT	2,702	2,098	1,779	3,470	4,281	2,263	2,329	2,589	10,050	11,462	2,685	
Tax	666	467	459	819	1,069	620	588	667	2,411	2,943	676	
Rate (%)	24.7	22.3	25.8	23.6	25.0	27.4	25.2	25.7	24.0	25.7	25.2	
Reported PAT	2,036	1,630	1,290	2,652	3,211	1,643	1,742	1,922	7,608	8,518	2,009	-4%
Adj PAT	2,036	1,630	1,321	2,652	3,211	1,643	1,742	1,922	7,639	8,518	2,009	-4%
YoY Change (%)	186.8	15.6	(58.9)	7.2	57.7	0.8	31.9	(27.5)	(2.1)	11.5	(24.3)	
Margin (%)	9.5	9.6	7.3	11.7	13.0	9.2	9.2	9.6	9.6	10.5	9.5	

Exhibit 1: Order book breakup excl. L1 (4QFY23: INR195b)

Source: MOFSL, Company

Exhibit 2: Revenue growth to pickup with higher order inflows

Source: MOFSL, Company

Exhibit 3: EBITDA margin to remain stable**Exhibit 4: Adjusted PAT to post 7% CAGR over FY23-25E****Exhibit 5: Return ratios to remain stable****Exhibit 6: Net debt to be miniscule by FY25E**

Highlights from the management commentary

Order book

- As of Mar'23, GRIL's order book stood at INR195b (excl. L1) of which HAM projects contributed 87% of the outstanding order book, EPC made up 5% of the order book, and the remaining 8% came from projects such as railways/ ropeways/metro, etc.
- GRIL expects to win INR200b of projects in FY24 of which INR100b is likely from HAM projects, INR50-60b is likely from EPC projects and the remaining from railways/metro/ropeway projects. The bid pipeline for FY24 remains strong across infra verticals.
- The company has bid for Highway projects (INR420b), Railway projects (INR50b) and Ropeway project (INR25b). The bids for these projects are yet to open.
- The Government of India is tendering ropeway projects for the first time and hence the LOAs of such projects are taking relatively longer time than HAM/EPC projects. However, management is optimistic about receiving the LOAs soon and starting the project by end of FY24.
- Competitive intensity in bidding for road projects (especially EPC projects) had increased due to relaxation in pre-qualification criteria that led to many new/ inexperienced players bid aggressively for road projects impacting order inflows and margins of large road construction companies like GRIL. However, bidding intensity has reduced and order win rates have improved for larger players.

Equity requirement

- Equity infused in HAM projects stood at ~INR5b in FY23.
- For FY24, equity infusion would be in the range of INR8.5-9.0b and INR8.0b post-FY24.

Guidance

- GRIL expects revenue to grow 10% in FY24
- Competitive intensity in EPC projects is gradually decreasing.
- EBITDA margin should stabilize in the 14-15% range excluding bonus and claims. For EPC projects, company expects to achieve EBITDA margin of 12-13% while for other projects (ropeway/railways/metro/power), management expects to generate 15% EBITDA margin.
- Capex for FY24 will be in the range of INR2-3b, depending on the order inflows and execution undertaken.

Other

- Diversification is on the cards and of the new orders won, HAM projects contributed INR65b, ropeway projects (INR36b), tunneling projects (INR44b), and one Multi Modal Logistics Parks (MMLP) project contributed INR7.6b. The Letter of Award (LOA) for ropeway and tunneling project is awaited. The ropeway project is expected to commence by end of FY24.
- Company has L1 orders worth ~INR70b of which Tunnel project (incl. GST) is worth INR36b and the remaining are for ropeway projects.
- Total debt as of Mar'23 stood at INR 13.5b of which Debentures was INR7.4b, term loan was INR1.5b, working capital loan was INR 1.9b, and Mobilization Advance was INR 2.7b. Debt-Equity ratio stood at 0.26x as of Mar'23 (flat YoY).
- Working Capital days for FY23 increased to 104 (v/s 82 in FY22) primarily due to high receivables days (82 days in FY23 v/s 45 in FY22). It expects working capital to stabilize.

Exhibit 7: Our revised forecasts

INR m	Old		New		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	91,482	1,05,786	90,200	1,07,028	-1.4%	1.2%
EBITDA	13,905	16,079	13,079	15,840	-5.9%	-1.5%
EBITDA margin	15.2%	15.2%	14.5%	14.8%	-70	-40
Adj. PAT	8,972	10,255	8,104	9,740	-9.7%	-5.0%

Source: Company, MOFSL

Valuation and view

- With moderating competitive intensity for road projects, order inflows for GRIL picked up rapidly in 4QFY23. Management is expecting 10% revenue growth in FY24 and new order inflows of INR200b. As many projects would start execution at end-FY24, growth is likely to be much better from FY25.
- With current order book and robust pipeline, we expect GRIL to clock 15% revenue growth over FY23-25, with EBITDA margin in the 14-15% range. We cut our FY24/FY25 EPS estimates by 10%/5% to factor in the cautious outlook on margin improvement. **Reiterate BUY with a revised SoTP-based TP of INR1,400.**

Exhibit 8: SoTP-based TP stands at INR1,400/share

Particulars	INR m	Per share (INR)
Valuation		
March'25E Core PAT – 12x P/E	106,243	1,096
BOT Portfolio valuation – Investment value	30,000	304
Total	146,538	1,400

Source: MOFSL, Company

Financials and valuations

Income Statement						(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Sales	49,502	60,278	72,445	79,192	81,476	90,200	1,07,028
Change (%)	59.4	21.8	20.2	9.3	2.9	10.7	18.7
Total Expenditure	39,428	47,865	59,341	66,381	68,345	77,121	91,188
As a percentage of Net Sales	79.6	79.4	81.9	83.8	83.9	85.5	85.2
EBITDA	10,074	12,413	13,104	12,811	13,131	13,079	15,840
As a percentage of Net Sales	20.4	20.6	18.1	16.2	16.1	14.5	14.8
Depreciation	1,381	1,868	2,268	2,816	2,457	2,506	2,720
EBIT	8,693	10,545	10,835	9,994	10,674	10,573	13,120
Interest	1,057	1,452	1,396	1,269	1,022	1,126	1,430
Other Income	674	938	1,275	1,324	1,809	1,384	1,326
EO Items	-	-	-	31	-	-	-
PBT	8,310	10,030	10,715	10,050	11,461	10,830	13,016
Tax	2,353	3,142	2,908	2,411	2,943	2,726	3,276
Rate (%)	28.3	31.3	27.1	24.0	25.7	25.2	25.2
Reported PAT	5,957	6,888	7,806	7,639	8,518	8,104	9,740
Adjusted PAT	5,957	6,888	7,806	7,608	8,518	8,104	9,740
Change (%)	51.7	15.6	13.3	(2.5)	12.0	(4.9)	20.2

Balance Sheet						(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	485	485	483	483	483	483	483
Reserves	20,919	27,785	35,561	43,152	51,668	59,772	69,512
Net Worth	21,404	28,270	36,044	43,636	52,152	60,256	69,996
Loans	10,607	10,740	13,511	11,020	10,759	10,259	10,009
Deferred Tax Liability	(685)	646	638	438	433	433	433
Capital Employed	31,326	39,656	50,193	55,094	63,344	70,948	80,438
Gross Fixed Assets	12,197	15,289	20,585	24,797	26,600	29,100	31,350
Less: Depreciation	3,172	4,967	7,134	9,950	12,214	14,721	17,441
Net Fixed Assets	9,025	10,322	13,451	14,846	14,385	14,379	13,909
Capital WIP	433	280	555	594	719	719	719
Investments	2,572	2,550	3,636	3,236	862	7,362	13,862
Curr. Assets	32,126	38,755	45,935	48,457	61,597	63,526	69,792
Inventory	6,136	7,684	10,584	10,218	8,843	9,471	11,238
Debtors	8,778	8,218	8,676	7,155	18,806	18,942	19,265
Cash and Bank Balance	6,064	8,403	5,416	4,450	2,418	1,182	728
Loans and Advances	400	503	558	-	-	-	-
Loans and advances (related party)	3,839	6,292	9,937	9,995	9,112	9,112	9,112
Other Current Assets	6,908	7,655	10,764	16,639	22,419	24,820	29,450
Current Liab. and Prov.	12,830	12,250	13,384	12,040	14,220	15,039	17,845
Creditors	5,189	5,570	7,283	7,169	8,672	9,020	10,703
Other current Liabilities	7,575	6,536	5,871	4,397	5,000	5,412	6,422
Provisions	66	144	230	474	548	607	720
Net Current Assets	19,296	26,505	32,551	36,418	47,377	48,487	51,948
Application of Funds	31,326	39,656	50,193	55,094	63,344	70,948	80,438

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic EPS (INR)							
Adjusted EPS	61.4	71.0	80.7	78.7	88.1	83.8	100.7
Cash EPS	75.7	90.3	104.2	107.8	113.5	109.7	128.9
Book Value	221	292	373	451	539	623	724
DPS	-	-	-	-	-	-	-
Payout (incl. Div. Tax.)	-	-	-	-	-	-	-
Valuation (x)							
P/E	18.0	15.5	13.7	14.0	12.5	13.2	10.9
Cash P/E	14.6	12.2	10.6	10.2	9.7	10.1	8.6
Price/Book Value	5.0	3.8	3.0	2.4	2.0	1.8	1.5
EV/Sales	2.3	1.8	1.6	1.4	1.4	1.3	1.1
EV/EBITDA	11.1	8.8	8.8	8.8	8.8	8.8	7.3
Dividend Yield (%)	-	-	-	-	-	-	-
FCF/Share	18.8	55.5	(7.0)	13.0	48.3	57.0	66.2
Profitability Ratios (%)							
RoE	32.4	27.7	24.3	19.1	17.8	14.4	15.0
RoCE	25.1	22.2	19.9	16.5	15.8	13.4	14.4
RoIC	33.4	28.6	22.9	17.4	14.9	13.1	15.5
Turnover Ratios							
Fixed Asset Turnover (x)	4.1	3.9	3.5	3.2	3.1	3.1	3.4
Asset Turnover (x)	1.6	1.5	1.4	1.4	1.3	1.3	1.3
Inventory (Days)	45	47	53	47	40	38	38
Debtor (Days)	65	50	44	33	84	77	66
Creditor (Days)	38	34	37	33	39	37	37
Leverage Ratio							
Current Ratio	2.5	3.2	3.4	4.0	4.3	4.2	3.9
Interest Coverage Ratio	8.2	7.3	7.8	7.9	10.4	9.4	9.2
Net Debt/Equity ratio (x)	0.2	0.1	0.2	0.2	0.2	0.2	0.1

Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
PBT before EO Items	8,310	10,030	10,715	10,019	11,461	10,830	13,016
Add: Depreciation	1,381	1,868	2,268	2,816	2,457	2,506	2,720
Interest	493	1,158	275	391	21	(257)	104
Less: Direct Taxes Paid	(1,859)	(1,752)	(2,689)	(2,651)	(2,936)	(2,726)	(3,276)
(Inc.)/Dec. in WC	(1,809)	(2,993)	(6,094)	(4,969)	(3,359)	(2,346)	(3,915)
CF from Operations	6,516	8,312	4,474	5,606	7,644	8,007	8,649
(Inc.)/Dec. in FA	(4,689)	(2,927)	(5,148)	(4,346)	(2,975)	(2,500)	(2,250)
Free Cash Flow	1,827	5,385	(674)	1,259	4,669	5,507	6,399
(Pur.)/Sale of Investments	36	89	75	120	280	-	-
Others	(1,806)	(1,387)	(2,725)	1,854	(3,761)	(6,500)	(6,500)
CF from Investments	(6,458)	(4,225)	(7,798)	(2,373)	(6,455)	(9,000)	(8,750)
Issue of Shares	-	-	(14)	-	-	-	-
Inc.)/(Dec.) in Debt	3,456	1,328	2,805	(2,840)	(172)	(500)	(250)
Less: Interest Paid	(725)	(1,777)	(1,475)	(967)	(1,092)	257	(104)
Dividend Paid	-	-	-	-	-	-	-
Others	908	(1,299)	(980)	(391)	(1,957)	-	-
CF from Fin. Activity	3,639	(1,748)	337	(4,198)	(3,221)	(243)	(354)
Inc./Dec. in Cash	3,697	2,339	(2,987)	(965)	(2,033)	(1,236)	(454)
Add: Beginning Balance	2,367	6,064	8,403	5,416	4,451	2,418	1,182
Closing Balance	6,064	8,403	5,416	4,451	2,418	1,182	728

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	>=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.

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 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, 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") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from 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.

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.