

G R Infraprojects

Estimate change 

TP change

Rating change 

CMP: INR1,203

TP: INR1,390 (+16%)

Buy

Focus on new order inflows; execution to be muted in near term

Bloomberg	GRINFRA IN
Equity Shares (m)	97
M.Cap.(INRb)/(USD\$b)	116.4 / 1.4
52-Week Range (INR)	1382 / 930
1, 6, 12 Rel. Per (%)	7/-18/-22
12M Avg Val (INR M)	87

Financials & Valuations (INR b)

Y/E Mar	2024E	2025E	2026E
Sales	76.9	78.7	93.8
EBITDA	10.2	10.4	13.1
PAT	6.7	7.0	9.4
EBITDA (%)	13.2	13.3	14.0
EPS (INR)	69.4	72.8	97.1
EPS Gr. (%)	-21.2	4.9	33.4
BV/Sh. (INR)	608.8	681.6	772.7

Ratios

Net D/E	0.1	0.0	0.0
RoE (%)	12.1	11.3	13.4
RoCE (%)	11.3	10.9	12.8
Payout (%)	0.0	0.0	6.2

Valuations

P/E (x)	17.3	16.5	12.4
P/BV (x)	2.0	1.8	1.6
EV/EBITDA (x)	11.8	11.1	8.6
Div Yield (%)	0.0	0.0	0.4
FCF Yield (%)	8.7	7.2	7.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	79.7	79.7	79.7
DII	15.9	15.9	16.1
FII	0.6	0.7	0.4
Others	3.8	3.5	3.8

FII Includes depository receipts

- Revenue decreased 5% YoY to ~INR18b in 3QFY24 and was slightly lower than our estimate of INR18.7b. Revenue grew 15% QoQ. Execution was impacted by a delay in the receipt of appointed dates (ADs) for several projects.
- EBITDA margin stood at 12.6% (down 200bp YoY). The delay in ADs for several projects and high staff costs resulted in an 18% YoY drop in EBITDA to INR2.3b (15% below our estimate). In line with the weak operating performance, APAT declined 16% YoY to INR1.5b (15% below our estimates).
- As of Dec'23, net working capital in days declined to 97 from 104 in Mar'23. The debt-to-equity ratio improved to 0.2x as of Dec'23 vs. 0.26x as of Sep'23.
- The order book currently stands at ~INR193b, with road projects accounting for ~83% of the order book. As of Dec'23, the company has 36 BOT projects, of which 10 are operational, 13 are under construction, and 13 projects are awaiting ADs. Considering muted awarding activity by NHA in 9MFY24, the management has lowered its order inflow guidance to INR40-50b in FY24 (from INR100b earlier). The management expects muted revenue growth in FY24 and FY25 as most projects are expected to receive ADs in the coming quarters and a meaningful revenue contribution from those projects would be seen in FY26.
- Revenue growth and margins are expected to be muted in FY24 and FY25 and improve materially in FY26. GRINFRA is looking to diversify its order book and bid for projects in transmission, ropeway, tunneling and MMLP. To incorporate the weak performance and a subdued medium-term outlook, we cut our FY24/FY25/FY26 EPS estimates by ~7%/15%/1%. We expect GRIL to clock a 5% revenue CAGR over FY23-26, with EBITDA margin in the range of 13-14%. We retain our BUY rating with a revised TP of INR1,390 based on an SoTP valuation.

Order pipeline robust with focus on diversification of order book; execution to be impacted by delay in ADs for several projects

- GRINFRA expects a robust bid pipeline of INR2t, particularly in the road segment, indicating a strong potential for winning new projects.
- The management continues to focus on diversifying its order book in other infrastructure segments, such as transmission, ropeway, etc.
- The order book currently stands at INR193b, with an executable order book of INR96b. Due to a delay in land acquisition and subsequent delays in ADs for several projects, the management expects revenue growth to be muted in FY24 and FY25. Growth in FY26 is expected to improve substantially.

Alok Deora - Research analyst (Alok.Deora@MotilalOswal.com)

Saurabh Dugar - Research analyst (Saurabh.Dugar@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.

Key takeaways from the management commentary

- GRIL has signed one HAM concession agreement with NHAI during the quarter. As of Dec'23, the company has 36 BOT projects, of which 10 are operational, 13 are under construction, and 13 projects are awaiting ADs.
- In 9MFY24, GRINFRA's equity infusion into HAM projects stood at INR4.5b and the additional equity requirement is INR21b, which is expected to be infused equally in the next three fiscal years.
- Due to a delay in ADs for some projects and muted revenue growth in 9MFY24, revenue is expected to be muted in FY24 and FY25, with margins in the range of 13-14%.
- The order inflows are expected to be at INR150b in FY25.
- The management expects capex of INR1.25b in FY25 mainly for office building construction in Gurgaon and PPE.

Valuation and view

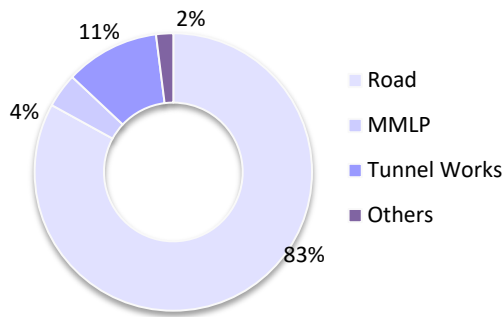
- Due to NHAI's muted awarding activity in 9MFY24, the management lowered its FY24 order inflow guidance to INR40-50b (from INR100b earlier).
- With subdued execution and minimal order inflows in 9MFY24, revenue growth is expected to improve only in FY26. GRIL plans to diversify its order book and bid for various projects.
- Considering a weak performance in 3Q, we trim our EPS estimates for FY24/FY25/FY26 by ~7%/15%/1%. We expect GRINFRA to post a revenue CAGR of 5% over FY23-26, with EBITDA margin in the range of 13-14%. We maintain a BUY rating with a revised TP of INR1,390 (based on SoTP valuation).

Quarterly Performance (Standalone)

(INR m)

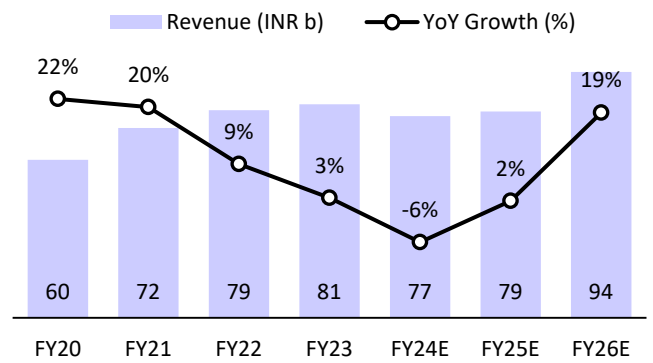
Y/E March (INR m)	FY23				FY24E				FY23	FY24E	FY24 3QE	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	24,767	17,772	18,988	19,949	21,524	15,738	18,064	21,609	81,476	76,935	18,783	-4%
YoY Change (%)	16.1	4.6	4.4	(12.0)	(13.1)	(11.4)	(4.9)	8.3	2.9	(5.6)	(1.1)	
EBITDA	4,864	2,600	2,769	2,898	3,147	1,937	2,280	2,791	13,131	10,155	2,667	-15%
Margins (%)	19.6	14.6	14.6	14.5	14.6	12.3	12.6	12.9	16.1	13.2	14.2	
Depreciation	634	620	612	590	602	617	610	555	2,457	2,385	615	
Interest	269	236	248	269	266	277	245	259	1,022	1,047	280	
Other Income	320	519	421	549	511	614	578	598	1,809	2,300	540	
PBT before EO expense	4,281	2,263	2,329	2,589	2,790	1,656	2,003	2,575	11,461	9,024	2,312	
Extra-Ord expense	-	-	-	-	-	-	83	-	-	-	-	
PBT	4,281	2,263	2,329	2,589	2,790	1,656	2,003	2,575	11,461	9,024	2,312	
Tax	1,069	620	588	667	710	423	532	648	2,943	2,314	583	
Rate (%)	25.0	27.4	25.2	25.7	25.4	25.6	26.6	25.2	25.7	25.6	25.2	
Reported PAT	3,211	1,643	1,742	1,922	2,080	1,233	1,554	1,926	8,518	6,710	1,729	
Adj PAT	3,211	1,643	1,742	1,922	2,080	1,233	1,471	1,926	8,518	6,710	1,729	-15%
YoY Change (%)	57.7	0.8	31.9	(27.5)	(35.2)	(25.0)	(15.5)	0.2	11.5	(21.2)	(0.7)	
Margins (%)	13.0	9.2	9.2	9.6	9.7	7.8	8.1	8.9	10.5	8.7	9.2	

Exhibit 1: Order book breakup (3QFY24: INR193b)



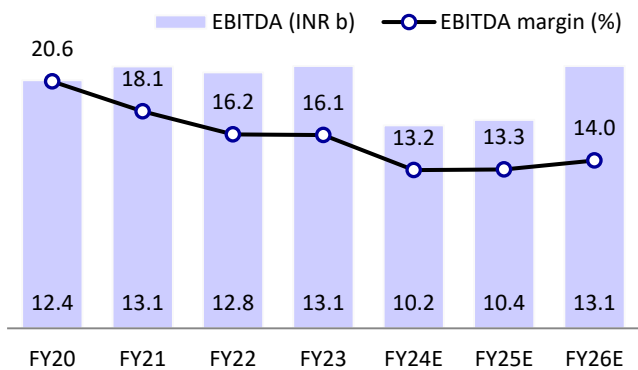
Source: MOFSL, Company

Exhibit 2: Revenue growth to be muted in near term



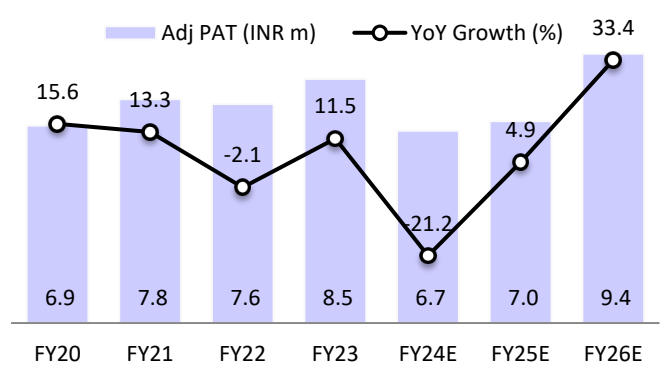
Source: MOFSL, Company

Exhibit 3: EBITDA and EBITDA margin trends



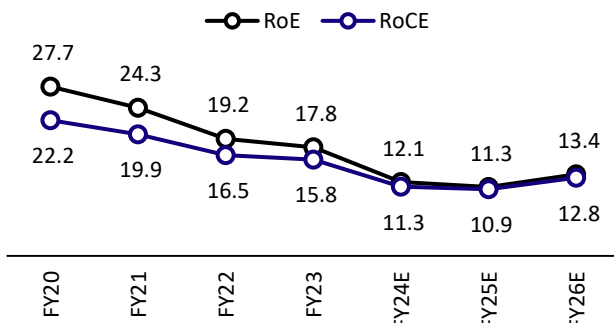
Source: MOFSL, Company

Exhibit 4: Adjusted PAT to see strong growth in FY26



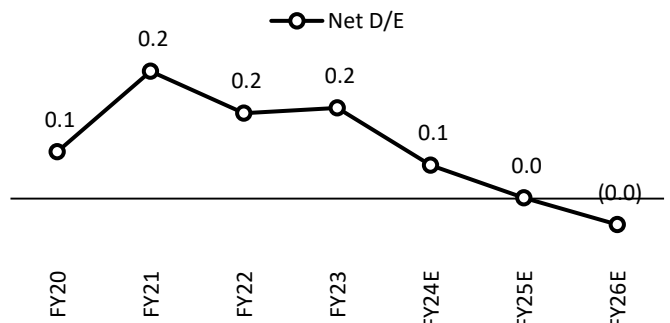
Source: MOFSL, Company

Exhibit 5: Return ratios to remain stable



Source: MOFSL, Company

Exhibit 6: Company to be net debt free by FY26E



Source: MOFSL, Company



Highlights from the management commentary

Business Updates

- GRINFRA has signed one HAM concession agreement with NHAI in 3Q. As of Dec'23, the company has 36 BOT projects, of which 10 are operational, 13 are under construction, and 13 projects are awaiting ADs.
- As of Dec'23, the order book stood at INR193b, with an executable order book of ~INR96b. Roads and highway projects constitute 83% of the order book.
- The standalone debt-to-equity ratio was 0.2x as of Dec'23 vs. 0.26x as of Mar'23.
- Net block of PPE was INR13.9b as of Dec'23.

- In 9MFY24, GRINFRA's equity infusion into HAM projects stood at INR4.5b and the additional equity requirement is INR21b, which is expected to be infused equally in the next three fiscal years.
- Net working capital declined to 97 days as of Dec'23 from 104 days as of Mar'23.
- Trade receivables as of Dec'23 totaled INR13.7b, down from INR18.8b in Mar'23. SPV debtors represent INR11b of the total debtors.
- Standalone trade payables as of Dec'23 stood at INR9.3b.
- Unbilled revenue was INR3.25b as of Dec'23.
- Mobilization advances stood at INR2.5b as of Dec'23, down from INR2.7b as of Mar'23.
- HAM/EPC projects mix stood at 75%/25% in 3Q FY24.
- The delay in ADs and land acquisition led to lower execution in 3Q, with expectations of ADs for 5-6 HAM projects in FY25.
- The company is in an advanced stage of starting an MMLP project and expects ADs by the last week of Mar'24 or the first week of Apr'24.
- ADs are yet to be declared for projects worth INR90b.
- The company is consistently working on diversification efforts.
- Projects worth less than INR10b in the EPC category face intense competition and the company is looking to bid for projects exceeding INR10b ticket size.
- The current tender pipeline is ~INR2t and GRINFRA expects to win INR150b of projects in FY25.
- Cash and cash equivalents as of Dec'23 stood at ~INR4b.

Guidance

- Order inflow guidance: INR40-50b in 4QFY24 and INR150b in FY25
- There is a strong pipeline of projects worth INR2t.
- Targeting flat revenue growth in FY25 and 20-25% growth in revenue in FY26 with margins in the range of 13-14%.
- Capex in 9MFY24 was INR800m and the management does not expect to exceed INR1b of capex in FY24.
- The management expects a capex of INR1.25b in FY25 mainly for office building construction in Gurgaon and PPE.

Exhibit 7: Revised estimates

Earnings Change INR m	Old			New			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	78,262	90,064	99,277	76,935	78,720	93,790	-1.7%	-12.6%	-5.5%
EBITDA	11,035	13,059	15,090	10,155	10,430	13,131	-8.0%	-20.1%	-13.0%
EBITDA margin	14.1%	14.5%	15.2%	13.2%	13.3%	14.0%	90	125	120
Adj. PAT	7,236	8,260	9,530	6,710	7,042	9,392	-7.3%	-14.7%	-1.4%

Source: Company, MOFSL

Valuation and view

- Due to muted awarding activity by NHAI in 9MFY24, the management has lowered its FY24 order inflow guidance to INR40-50b (from INR100b in Sep'23). GRINFRA aims to secure ~10% of the INR2t order pipeline in FY25.
- With a subdued performance and muted growth prospects, we have reduced our EPS estimates for FY24/FY25/FY26 by ~7%/15%/1%. We expect GRINFRA to achieve a 5% revenue CAGR over FY23-26, with EBITDA margins in the range of 13-14%. We retain our BUY rating with a revised TP of INR1,390 based on an SoTP valuation.

Exhibit 8: SoTP-based target price stands at INR1,390/share

Particulars	INR m	Per share (INR)
Valuation		
March'26E Core PAT – 12x P/E	1,00,434	1,036
BOT Portfolio valuation – Investment value	34,000	354
Total	1,34,434	1390

Source: MOFSL, Company

Financials and valuations

Income Statement							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Sales	60,278	72,445	79,192	81,476	76,935	78,720	93,790
Change (%)	21.8	20.2	9.3	2.9	(5.6)	2.3	19.1
Total Expenditure	47,865	59,341	66,381	68,345	66,780	68,290	80,659
As a percentage of Net Sales	79.4	81.9	83.8	83.9	86.8	86.8	86.0
EBITDA	12,413	13,104	12,811	13,131	10,155	10,430	13,131
As a percentage of Net Sales	20.6	18.1	16.2	16.1	13.2	13.3	14.0
Depreciation	1,868	2,268	2,816	2,457	2,385	2,484	2,567
EBIT	10,545	10,835	9,994	10,674	7,771	7,947	10,564
Interest	1,452	1,396	1,269	1,022	1,047	1,171	1,163
Other Income	938	1,275	1,324	1,809	2,300	2,634	3,151
EO Items	-	-	31	-	-	-	-
PBT	10,030	10,715	10,050	11,461	9,024	9,410	12,551
Tax	3,142	2,908	2,411	2,943	2,314	2,369	3,159
Rate (%)	31.3	27.1	24.0	25.7	25.6	25.2	25.2
Reported PAT	6,888	7,806	7,639	8,518	6,710	7,042	9,392
Adjusted PAT	6,888	7,806	7,608	8,518	6,710	7,042	9,392
Change (%)	15.6	13.3	(2.5)	12.0	(21.2)	4.9	33.4

Balance Sheet							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Share Capital	485	483	483	483	483	483	483
Reserves	27,785	35,561	43,152	51,668	58,378	65,420	74,232
Net Worth	28,270	36,044	43,636	52,152	58,862	65,903	74,715
Loans	10,740	13,511	11,020	10,759	10,259	10,009	9,509
Deferred Tax Liability	646	638	438	433	433	433	433
Capital Employed	39,656	50,193	55,094	63,344	69,554	76,345	84,658
Gross Fixed Assets	15,289	20,585	24,797	26,600	27,600	28,850	30,850
Less: Depreciation	4,967	7,134	9,950	12,214	14,599	17,083	19,650
Net Fixed Assets	10,322	13,451	14,846	14,385	13,001	11,767	11,200
Capital WIP	280	555	594	719	719	719	719
Investments	2,550	3,636	3,236	862	7,362	13,862	20,362
Curr. Assets	38,755	45,935	48,457	61,597	61,299	63,122	68,014
Inventory	7,684	10,584	10,218	8,843	8,078	8,266	9,848
Debtors	8,218	8,676	7,155	18,806	16,156	14,170	10,317
Cash and Bank Balance	8,403	5,416	4,450	2,418	6,783	9,915	12,930
Loans and Advances	503	558	-	-	-	-	-
Loans and advances (related party)	6,292	9,937	9,995	9,112	9,112	9,112	9,112
Other Current Assets	7,655	10,764	16,639	22,419	21,170	21,661	25,807
Current Liab. and Prov.	12,250	13,384	12,040	14,220	12,827	13,125	15,637
Creditors	5,570	7,283	7,169	8,672	7,694	7,872	9,379
Other current Liabilities	6,536	5,871	4,397	5,000	4,616	4,723	5,627
Provisions	144	230	474	548	518	530	631
Net Current Assets	26,505	32,551	36,418	47,377	48,472	49,997	52,376
Application of Funds	39,656	50,193	55,094	63,344	69,554	76,345	84,658

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic EPS (INR)							
Adjusted EPS	71.0	80.7	78.7	88.1	69.4	72.8	97.1
Cash EPS	90.3	104.2	107.8	113.5	94.1	98.5	123.7
Book Value	292	373	451	539	609	682	773
DPS	-	-	-	-	-	-	5.0
Payout (incl. Div. Tax.)	-	-	-	-	-	-	6.2
Valuation (x)							
P/E	16.9	14.9	15.2	13.6	17.3	16.5	12.4
Cash P/E	13.3	11.5	11.1	10.6	12.8	12.2	9.7
Price/Book Value	4.1	3.2	2.7	2.2	2.0	1.8	1.6
EV/Sales	2.0	1.7	1.5	1.5	1.6	1.5	1.2
EV/EBITDA	9.6	9.5	9.6	9.5	11.8	11.1	8.6
Dividend Yield (%)	-	-	-	-	-	-	0.4
FCF/Share	55.5	(7.0)	13.0	48.3	104.6	87.1	89.0
Profitability Ratios (%)							
RoE	27.7	24.3	19.1	17.8	12.1	11.3	13.4
RoCE	22.2	19.9	16.5	15.8	11.3	10.9	12.8
RoIC	28.6	22.9	17.4	14.9	10.1	11.2	15.4
Turnover Ratios							
Fixed Asset Turnover (x)	3.9	3.5	3.2	3.1	2.8	2.7	3.0
Asset Turnover (x)	1.5	1.4	1.4	1.3	1.1	1.0	1.1
Inventory (Days)	47	53	47	40	38	38	38
Debtor (Days)	50	44	33	84	77	66	40
Creditor (Days)	34	37	33	39	37	37	37
Leverage Ratio							
Current Ratio	3.2	3.4	4.0	4.3	4.8	4.8	4.3
Interest Coverage Ratio	7.3	7.8	7.9	10.4	7.4	6.8	9.1
Net Debt/Equity ratio (x)	0.1	0.2	0.2	0.2	0.1	0.0	(0.0)

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
PBT before EO Items	10,030	10,715	10,019	11,461	9,024	9,410	12,551
Add: Depreciation	1,868	2,268	2,816	2,457	2,385	2,484	2,567
Interest	1,158	275	391	21	(1,253)	(1,463)	(1,988)
Less: Direct Taxes Paid	(1,752)	(2,689)	(2,651)	(2,936)	(2,314)	(2,369)	(3,159)
(Inc.)/Dec. in WC	(2,993)	(6,094)	(4,969)	(3,359)	3,271	1,606	636
CF from Operations	8,312	4,474	5,606	7,644	11,112	9,668	10,608
(Inc.)/Dec. in FA	(2,927)	(5,148)	(4,346)	(2,975)	(1,000)	(1,250)	(2,000)
Free Cash Flow	5,385	(674)	1,259	4,669	10,112	8,418	8,608
(Pur.)/Sale of Investments	89	75	120	280	-	-	-
Others	(1,387)	(2,725)	1,854	(3,761)	(6,500)	(6,500)	(6,500)
CF from Investments	(4,225)	(7,798)	(2,373)	(6,455)	(7,500)	(7,750)	(8,500)
Issue of Shares	-	(14)	-	-	-	-	-
Inc./(Dec). in Debt	1,328	2,805	(2,840)	(172)	(500)	(250)	(500)
Less: Interest Paid	(1,777)	(1,475)	(967)	(1,092)	1,253	1,463	1,988
Dividend Paid	-	-	-	-	-	-	(580)
Others	(1,299)	(980)	(391)	(1,957)	-	-	-
CF from Fin. Activity	(1,748)	337	(4,198)	(3,221)	753	1,213	908
Inc./Dec. in Cash	2,339	(2,987)	(965)	(2,033)	4,366	3,131	3,015
Add: Beginning Balance	6,064	8,403	5,416	4,451	2,418	6,783	9,915
Closing Balance	8,403	5,416	4,451	2,418	6,783	9,915	12,930

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.

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://onlinereports.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 services 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. 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 .

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.

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/NCDX); 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.