04 November 2026
2QFY27 Results Update | Sector: Financials

Power Finance Corporation

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	POWF IN
Equity Shares (m)	3300
M.Cap.(INRb)/(USDb)	1064.3 / 11.2
52-Week Range (INR)	487 / 310
1, 6, 12 Rel. Per (%)	-5/-27/-12
12M Avg Val (INR M)	3254

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	219	210	231
PPP	230	232	255
PAT	201	194	201
EPS (INR)	60.8	58.9	60.9
EPS Gr. (%)	16	-3	3
BV/Sh. (INR)	311	352	394
ABV/Sh. (INR)	267	308	350
RoAA (%)	3.4	3.1	3.0
RoAE (%)	20.7	17.8	16.3
Div Payout (%)	30.5	30.5	30.0
Valuations			
P/E (x)	5.3	5.5	5.3
P/BV (x)	1.0	0.9	0.8
Core P/E (x)	3.8	3.9	3.8
Core P/BV (x)	0.8	0.7	0.6
Div. Yld (%)	5.8	5.6	5.7

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	56.0	56.0	56.0
DII	15.8	14.5	16.0
FII	17.8	20.5	18.8
Others	10.4	9.0	9.1

FII includes depository receipts

CMP: INR323 **TP: INR405 (+26%)** **Buy**

Weak loan growth with minor NIM compression; earnings in line

Higher prepayments continued; asset quality improved further

- Power Finance Corporation's (PFC) 2QFY27 PAT grew ~12% YoY to INR49.9b (in line). NII declined ~3% YoY to ~INR51.2b (in line). Other operating income grew ~7% YoY to ~INR12.7b, which included fee and commission income of ~INR2.6b and dividend income of INR8.8b (PY: INR11b).
- PFC reported exchange loss of INR1.8b (PQ: gain of INR752m | PY: loss of INR5b). Opex grew ~17% YoY to ~INR2.3b (in line). Cost-income ratio was broadly stable QoQ at ~4.4%. PPoP grew ~3% YoY to INR59.8b (in line).
- Provision writebacks for the quarter stood at INR1.8b (vs. est. +INR1.2b). This translated into provision write-backs of -3bp in 2Q (PY: 4bp and PQ: -10bp). The provision reversal in 2Q was majorly on account of partial prepayment of INR61.7b received from the Kaleshwaram Irrigation project.
- Reported yields in 1HFY27 stood at ~9.57% (1QFY27: 9.56%), while CoB stood at ~7.17% (1QFY27: 7.07%), resulting in spreads of ~2.4% (1QFY27: ~2.5%). NIM (calc.) contracted ~20bp QoQ to ~3.5%.
- PFC's share of foreign currency borrowings in the overall funding mix rose to 24% in 1HFY27 from the historical range of 20-21%, driven by a calibrated increase in overseas borrowings to leverage the concessional foreign exchange swap facility introduced by the RBI for PSUs, which is available until Dec'26. The company shared that its cost of funds will remain sensitive to foreign exchange market volatility and periodic repo rate hikes by the RBI. We model NIMs of ~3.5%/3.6% in FY27/FY28E (vs. 3.7% in FY26).
- **We keep our FY27 EPS estimate largely unchanged and cut our FY28 EPS estimate by 2%. We estimate a disbursement/advances CAGR of 3%/7% over FY26-FY28 and PAT to remain broadly flat over the next two years, with RoA/RoE of 3%/16% and a dividend yield of ~5.7% in FY28E. We reiterate our BUY rating with an SoTP (Sep'28E)-based TP of INR405.**

Disbursements declined ~31% YoY; muted loan growth of ~2% YoY

- Loan book stood at INR5.7t, up 2% YoY and flat QoQ. 2Q repayments stood at ~22.2% (PQ: 20.9% and PY: ~28.0%). Loan growth was impacted by elevated prepayments. We model loan growth of ~5% in FY27E.
- Disbursements fell 31% YoY and grew 69% QoQ to INR341b. Disbursements to infrastructure sector formed 6% of total disbursements in 2Q. Renewables segment in the Loan mix rose to 15.6% (PQ: 14.8%). CRAR stood at ~24% as of Sep'26.

Asset quality improves; PCR on standard assets declines QoQ

- GS3 declined ~20bp QoQ to ~0.9%, while NS3 was stable QoQ at ~0.15%. **PCR on Stage 3 declined ~3pp QoQ to 83.2%. Standard assets (Stage 1 + 2) PCR declined ~4bp QoQ to 74bp (PQ: 78bp and PY: 101bp).**

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com) | **Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com)
Research Analyst: Raghav Khemani (Raghav.Khemani@MotilalOswal.com) | **Pranav Nawale** (Pranav.Nawale@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.

- PFC has ~18 projects that are classified as NPA. Resolution in nine NPA projects is being pursued under NCLT, and the remaining nine NPA projects are being pursued outside NCLT.
- In 1HFY27, an outstanding loan of INR11.2b to East Coast Energy (which was undergoing liquidation) was written off from the books, against which 100% provision had already been maintained.

Key highlights from the press release

- PFC's outstanding foreign currency borrowings stood at USD11.79b as of Sep'26, comprising 61% USD-denominated, 21% JPY and 18% EUR borrowings. Nearly 98% of the portfolio was hedged against exchange rate risk, ensuring that PFC remains well-positioned to manage range-bound foreign exchange volatility.
- On incremental business, PFC will continue to focus on realistic and resilient growth. In the current competitive pricing environment, priority of the company is to tap the capex opportunities while balancing growth with sustainable returns.

Valuation and view

- PFC reported an operationally weak quarter, with earnings broadly in line but underlying loan growth remaining weak. Asset quality improved, resulting in benign credit costs. However, NIM remained under pressure amid heightened competitive intensity and higher incremental borrowing costs.
- PFC (standalone) trades at 0.6x FY28E P/BV and ~4x FY28E EPS. We **reiterate our BUY rating** with an SoTP (Sep'28E)-based TP of INR405 (based on a 0.8x target multiple for the PFC standalone business and INR147/sh for PFC's stake in REC after a hold-co discount of 20%).
- **Key risks:** 1) weaker loan growth driven by weak disbursements; 2) an increase in exposure to power projects without PPAs; 3) compression in spreads and margins due to an aggressive competitive landscape; and 4) any slowdown in the offtake of renewable energy projects.

PFC: SOTP – Sep'28

	Stake	Target Multiple	Value (INR B)	INR per share	% To Total	Rationale
PFC Standalone	100	0.8	950	288	71	0.8x Sep'28 PBV
REC Stake (Pre-holdCo)	53	0.8	485	**147**		0.8x Sep'28 PBV
Hold Co Discount (20%)			97			
REC Stake (Post Hold-CO)				**388**	**118**	29
Target Value			**1,338**	**405**	**100**	

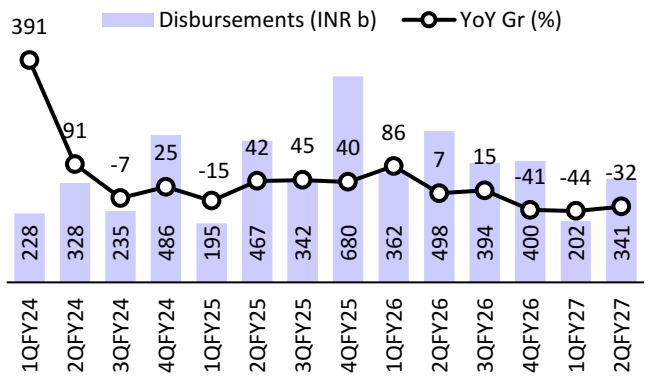
Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	v/s Est.
Particulars	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**				
Interest Income	1,37,389	1,34,728	1,39,359	1,39,253	1,37,364	1,36,577	1,38,899	1,44,068	5,50,728	5,56,908	1,37,501	-1
Interest Expenses	82,697	81,835	83,294	84,028	85,029	85,356	86,893	90,069	3,31,769	3,47,347	85,454	0
Net Interest Income	**54,692**	**52,893**	**56,065**	**55,225**	**52,335**	**51,221**	**52,007**	**53,999**	**2,18,959**	**2,09,561**	**52,047**	**-2**
YoY Gr %	26.4	20.0	19.4	-6.6	-4.3	-3.2	-7.2	-2.2	13.2	-4.3	-1.6	
Other Income	**2,016**	**11,829**	**6,827**	**13,910**	**2,817**	**12,688**	**7,164**	**13,787**	34,494	**36,456**	**12,620**	**1**
Net Operational Income	**56,708**	**64,722**	**62,892**	**69,135**	**55,152**	**63,909**	**59,171**	**67,785**	**2,53,452**	**2,46,017**	**64,667**	**-1**
YoY Gr %	22.1	10.2	18.9	-1.8	-2.7	-1.3	-5.9	-2.0	10.9	-2.9	-0.1	
Exchange gain/(loss)	-6,546	-4,972	-1,276	-3,089	752	-1,873	-1,600	-1,778	-15,883	-4,500	-1,000	87
Total Net Income	**50,162**	**59,750**	**61,616**	**66,046**	**55,904**	**62,036**	**57,571**	**66,007**	**2,37,569**	**2,41,517**	**63,667**	**-3**
YoY Gr %	6.7	7.4	15.4	-2.6	11.4	3.8	-6.6	-0.1	6.2	1.7	6.6	
Operating Expenses	1,848	1,932	1,991	2,222	2,333	2,261	2,309	2,343	7,989	9,246	**2,241**	**1**
Operating Profit	**48,313**	**57,819**	**59,625**	**63,824**	**53,571**	**59,775**	**55,262**	**63,663**	**2,29,581**	**2,32,271**	**61,427**	**-3**
YoY Gr %	5.0	8.5	15.7	-2.5	10.9	3.4	-7.3	-0.3	6.1	1.2	6.2	
Provisions	-6,818	2,420	52	-13,817	-5,560	-1,796	1,100	1,032	-18,164	-5,224	1,200	-250
PBT	**55,132**	**55,399**	**59,573**	**77,640**	**59,131**	**61,571**	**54,162**	**62,631**	**2,47,744**	**2,37,495**	**60,227**	**2**
Tax	10,117	10,780	11,940	14,395	11,677	11,704	9,749	10,094	47,231	43,224	10,841	8
Tax Rate %	18.3	19.5	20.0	18.5	19.7	19.0	18.0	16.1	19.1	18.2	18.0	
PAT	**45,015**	**44,619**	**47,633**	**63,246**	**47,454**	**49,867**	**44,413**	**52,537**	**2,00,513**	**1,94,271**	**49,386**	**1**
YoY Gr %	21.1	2.1	14.6	23.8	5.4	11.8	-6.8	-16.9	15.9	-3.4	10.7	
Key Parameters (Calc., %)												
Yield on loans	10.3	9.9	10.0	9.8	9.7	9.7	9.7	9.7				
Cost of funds	7.1	7.0	7.0	7.0	7.1	7.2	7.3	7.3				
Spread	3.1	2.9	3.0	2.9	2.6	2.5	2.4	2.4				
NIM	3.93	3.73	3.96	3.90	3.68	3.49	3.50	3.52				
C/I ratio	3.38	3.65	3.55	4.02	4.46	4.41	4.44	4.34				
Credit cost	(0.12)	0.04	0.00	(0.24)	(0.10)	(0.03)	0.02	0.02				
Balance Sheet Parameters												
Disbursements (INR b)	362	498	394	400	202	341	418	544				
Growth YoY (%)	86	7	15	(41)	(44)	(32)	6	36				
AUM (INR b)	5,498	5,612	5,696	5,801	5,700	5,725	5,850	6,094				
Growth YoY (%)	16	14	13	7	4	2	3	5				
Asset Quality Parameters												
GS 3 (INR B)	105	105	93	63	63	52						
GS 3 (%)	1.92	1.87	1.64	1.09	1.11	0.91						
NS 3 (INR B)	20.8	20.8	14.7	8.7	8.7	8.7						
NS 3 (%)	0.38	0.37	0.26	0.15	0.15	0.15						
PCR (%)	80.3	80.2	84.2	86.2	86.2	83.2						

E: MOFSL Estimates

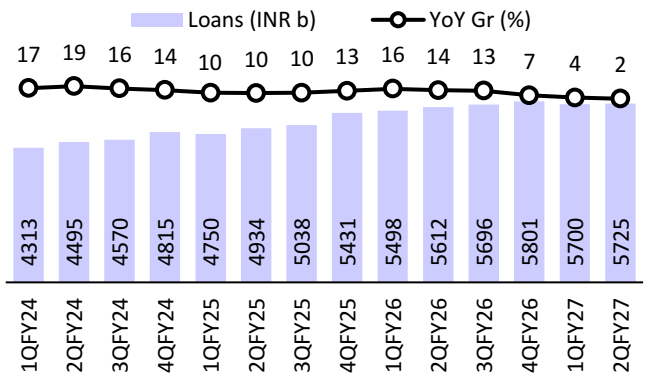
Key exhibits

Exhibit 1: Disbursements declined ~32% YoY



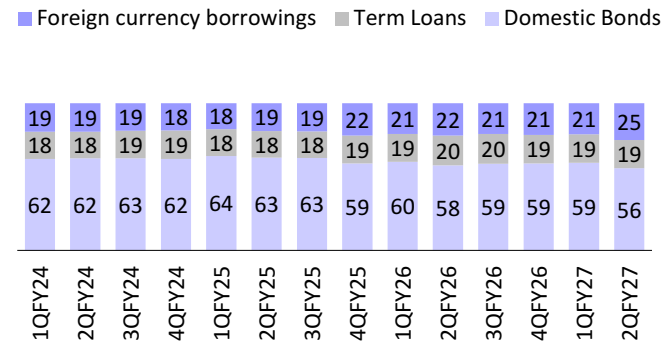
Source: MOFSL, Company

Exhibit 2: Loan book grew 2% YoY and was flat QoQ



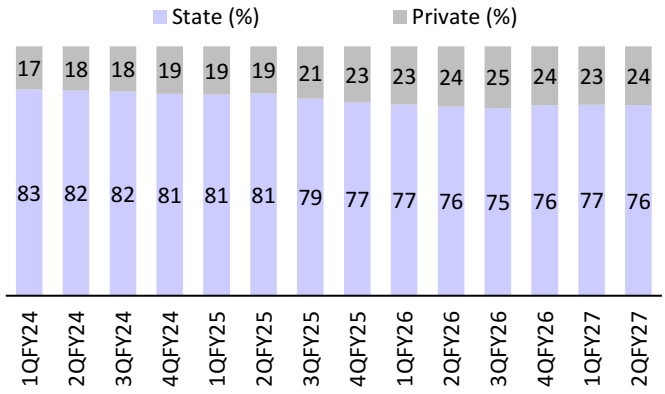
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



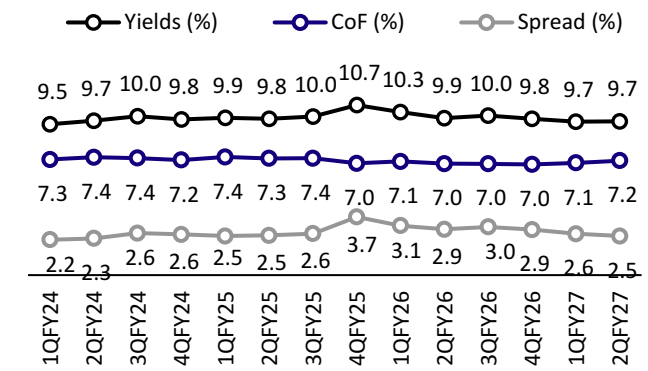
Source: MOFSL, Company

Exhibit 4: ~24% of loans disbursed to private players (%)



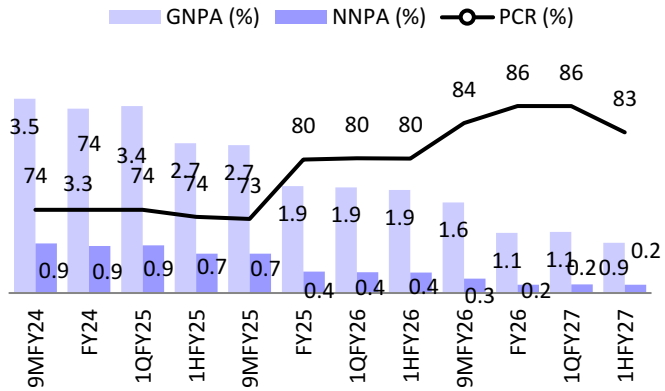
Source: MOFSL, Company

Exhibit 5: Calc. yields was stable QoQ



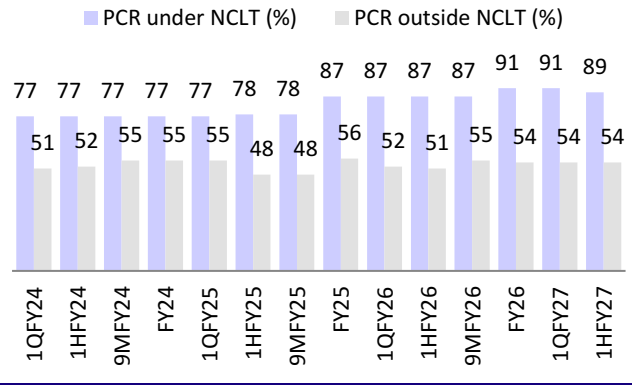
Source: MOFSL, Company,

Exhibit 6: Asset quality improves QoQ



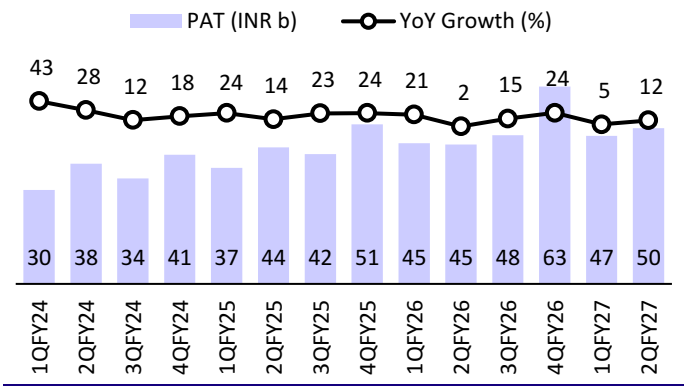
Source: MOFSL, Company

Exhibit 7: PCR for stressed assets under NCLT/outside NCLT



Source: MOFSL, Company,

Exhibit 8: PAT grew ~12% YoY in 2QFY27



Source: MOFSL, Company

Exhibit 9: We keep our FY27 EPS estimates unchanged and cut our FY28 estimates by ~2%

INR B	Old Est.		New Est.		% Change	
	FY27	FY28	FY27	FY28	FY27	FY28
NII	210.1	234.5	209.6	231.5	-0.3	-1.3
Other Income	32.8	35.9	32.0	33.9	-2.6	-5.7
Net Income	**242.9**	**270.4**	**241.5**	**265.4**	**-0.6**	**-1.9**
Operating Expenses	8.9	9.8	9.2	10.2	3.4	3.7
Operating Profits	**234.0**	**260.7**	**232.3**	**255.2**	**-0.7**	**-2.1**
Provisions	-2.7	7.7	(5.2)	7.4	91	-4
PBT	**236.7**	**253.0**	**237.5**	**247.8**	**0.3**	**-2.0**
Tax	43.1	47.8	43.2	46.8	0.3	-2.0
PAT	**193.6**	**205.2**	**194.3**	**201.0**	**0.3**	**-2.0**
Loans	6,172	6,745	6,094	6,621		
RoAA (%)	**3.1**	**3.1**	**3.1**	**3.0**		

Source: MOFSL, Company

Exhibit 10: DuPont Analysis

Du Pont Analysis %	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest income	9.6	9.3	9.0	9.2	9.2	9.2	8.9	9.1	9.2
Interest expenses	6.2	5.8	5.5	5.9	5.6	5.5	5.5	5.6	5.7
Net Interest Income	**3.4**	**3.6**	**3.4**	**3.3**	**3.6**	**3.7**	**3.3**	**3.5**	**3.6**
Other Operating Income	0.3	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.5
Other Income	0.0	-0.2	-0.5	0.0	-0.1	-0.3	0.0	0.0	0.0
Total Income	**3.8**	**3.8**	**3.5**	**3.8**	**4.1**	**4.0**	**3.9**	**4.0**	**4.1**
Operating expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Operating profits	**3.6**	**3.7**	**3.3**	**3.7**	**4.0**	**3.8**	**3.7**	**3.9**	**3.9**
Provisions	0.9	0.6	-0.1	0.0	0.1	-0.3	-0.1	0.1	0.1
PBT	**2.7**	**3.1**	**3.4**	**3.7**	**3.9**	**4.1**	**3.8**	**3.7**	**3.8**
Taxation	0.5	0.6	0.6	0.7	0.7	0.8	0.7	0.7	0.7
RoA	**2.2**	**2.5**	**2.8**	**3.0**	**3.2**	**3.4**	**3.1**	**3.0**	**3.1**
Leverage (x)	7.7	7.0	6.6	6.4	6.4	6.2	5.7	5.4	5.3
RoE	**17.3**	**17.9**	**18.2**	**19.5**	**20.4**	**20.7**	**17.8**	**16.3**	**16.1**

E: MOFSL Estimates

Financials and valuations

Income Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest on loans	361	367	376	436	499	551	557	605	670
Interest exp & other charges	232	227	233	280	305	332	347	373	412
Net Interest Income	**130**	**140**	**144**	**156**	**193**	**219**	**210**	**231**	**258**
Change (%)	28.3	8.3	2.4	8.8	23.7	13.2	-4.3	10.5	11.5
Other operating income	11	19	21	23	35	34	34	37	39
Exchg Gain/(loss) on Forex loans	2	-9	-20	2	-5	-16	-5	-4	-4
Other Income	0	0	0	0	0	0	2	1	1
Net Income	**142**	**150**	**145**	**181**	**224**	**238**	**242**	**265**	**295**
Change (%)	48.4	5.7	-3.6	25.2	23.5	6.2	1.7	9.9	11.0
Employee Cost	2	2	2	2	3	3	3	4	4
Administrative Exp	3	3	4	4	5	5	6	6	7
Depreciation	0	0	0	0	0	0	0	0	0
Operating Income	**137**	**144**	**139**	**175**	**216**	**230**	**232**	**255**	**283**
Change (%)	49.2	5.4	-4.0	25.8	23.9	6.1	1.2	9.9	11.1
Total Provisions	**35**	**22**	**-3**	**-2**	**5**	**-18**	**-5**	**7**	**9**
% to operating income	25.5	15.4	-2.1	-1.0	2.1	-7.9	-2.2	2.9	3.2
PBT	**102**	**122**	**142**	**176**	**212**	**248**	**237**	**248**	**274**
Prior period Adjustments	0	0	0	0	0	0	0	0	0
PBT (post prior period adj)	**102**	**122**	**142**	**176.3**	**211.7**	**247.7**	**237**	**248**	**274**
Tax (Incl Deferred tax)	18	22	26	33	38	47	43	47	52
Tax Rate (%)	17.3	18.0	18.1	18.5	18.0	19.1	18.2	18.9	18.9
PAT	**84**	**100**	**116**	**144**	**174**	**201**	**194**	**201**	**222**
Change (%)	49.3	18.7	15.8	23.8	20.8	15.6	-3.1	3.5	10.7
Extra-ordinary item	0	0	0	0	0	0	0	0	0
Reported PAT	**84**	**100**	**116**	**144**	**174**	**201**	**194**	**201**	**222**
Adjusted PAT (Excluding REC Dividend)	**82**	**98**	**113**	**139**	**168**	**195**	**188**	**195**	**216**
Change (%)	56.7	18.7	15.4	23.5	20.6	15.9	-3.4	3.4	11.0
Proposed Dividend (Incl Tax)	26	32	35	45	52	61	59	60	67

Balance Sheet

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Capital	26	26	26	33	33	33	33	33	33
Reserves & Surplus	498	567	656	759	876	992	1,127	1,268	1,424
Net Worth	**524**	**594**	**682**	**792**	**909**	**1,025**	**1,160**	**1,301**	**1,457**
Deferred Tax Liability	0	0	0	0	0	0	0	0	0
Networth (incl DTL)	**524**	**594**	**682**	**792**	**909**	**1,025**	**1,160**	**1,301**	**1,457**
Interest subsidy from GoI	0	0	0	0	0	0	0	0	0
Borrowings	**3,330**	**3,274**	**3,704**	**4,164**	**4,755**	**4,978**	**4,989**	**5,376**	**5,902**
Change (%)	7.3	-1.7	13.1	12.4	14.2	4.7	0.2	7.8	9.8
Total Liabilities	**3,921**	**3,944**	**4,448**	**5,056**	**5,782**	**6,185**	**6,351**	**6,900**	**7,605**
Investments	160	161	173	202	207	207	218	228	240
Change (%)	-3.0	0.7	7.6	16.9	2.5	0.0	5.0	5.0	5.0
Loans	**3,601**	**3,609**	**4,108**	**4,699**	**5,328**	**5,740**	**6,003**	**6,529**	**7,210**
Change (%)	7.8	0.2	13.8	14.4	13.4	7.7	4.6	8.8	10.4
Forex monetary reserves	0	0	0	0	0	0	0	0	0
Net Fixed Assets	1	1	1	1	1	1	1	1	2
Net Current Assets	48	40	16	2	68	23	17	24	31
Total Assets	**3,921**	**3,944**	**4,448**	**5,056**	**5,782**	**6,185**	**6,351**	**6,900**	**7,605**

E: MOFSL Estimates

Financials and valuations

Loans and Disbursements	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Gross Loans (INR b)	3,708	3,731	4,225	4,815	5,431	5,801	6,094	6,621	7,305
YoY Growth (%)	7	1	13	14	13	7	5	9	10
Disbursements (INR b)	883	512	858	1,277	1,683	1,654	1,505	1,746	2,008
YoY Growth (%)	30	-42	67	49	32	-2	-9	16	15

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Spreads Analysis (%)									
Avg. Yields	10.4	10.2	9.8	9.9	9.9	10.0	9.5	9.7	9.8
Avg Cost of funds	7.2	6.9	6.7	7.1	6.8	6.8	7.0	7.2	7.3
Interest Spread	3.2	3.3	3.1	2.79	3.10	3.13	2.5	2.5	2.5
NIM	3.8	3.6	3.2	3.6	3.8	3.7	3.5	3.6	3.7
Profitability Ratios (%)									
RoE	17.3	17.9	18.2	19.5	20.4	20.7	17.78	16.33	16.13
RoA	2.2	2.5	2.8	3.0	3.2	3.4	3.1	3.0	3.1
Efficiency Ratios (%)									
Int. Expended/Int.Earned	64.2	61.8	61.8	64.2	61.2	60.2	62.4	61.7	61.5
Other operating Inc./Net Inc.	7.6	12.3	14.3	12.5	15.6	14.4	14.3	13.9	13.4
Other Income/Net Income	0.2	0.3	0.1	0.1	0.1	0.2	0.8	0.4	0.3
Op. Exps./Net Income	3.6	3.8	4.2	3.7	3.4	3.4	3.8	3.8	3.8
Empl. Cost/Op. Exps.	37.9	37.1	36.3	36.3	35.8	35.1	35.2	34.9	34.4
Asset-Liability Profile (%)									
Loans/Borrowings Ratio (x)	108	110	111	113	112	115	120	121	122
Assets/Networth (x)	7.5	6.6	6.5	6.4	6.4	6.0	5.5	5.3	5.2
Debt/Equity (x)	6.4	5.5	5.4	5.3	5.2	4.9	4.3	4.1	4.1
Asset Quality (%)									
Gross Stage 3	5.7	5.6	3.9	3.3	1.9	1.1	0.7	0.6	0.5
Net Stage 3	2.1	1.8	1.1	0.9	0.4	0.2	0.1	0.1	0.1
PCR	63.4	68.6	72.7	74.4	80.1	86.2	84.0	86.0	88.0
Credit costs	1.01	0.62	-0.08	-0.04	0.09	-0.33	-0.09	0.12	0.13

Valuations

Book Value (INR)	198	225	258	240	276	311	352	394	441
BV Growth (%)	16.0	13.3	14.9	-7.1	14.8	12.8	13.2	12.1	12.0
Price-BV (x)	**1.6**	**1.4**	**1.2**	**1.3**	**1.2**	**1.0**	**0.9**	**0.8**	**0.7**
Adjusted Book Value (INR)	144	170	203	196	232	267	308	350	397
ABV Growth (%)	23.6	18.4	19.7	-3.6	18.1	15.2	15.3	13.9	13.5
Price-ABV (x)	**1.6**	**1.3**	**1.1**	**1.1**	**1.0**	**0.8**	**0.7**	**0.6**	**0.6**
EPS (INR)	32.0	38.0	44.0	43.5	52.6	60.8	58.9	60.9	67.4
EPS Growth (%)	49.3	18.7	15.8	-1.0	20.8	15.6	-3.1	3.5	10.7
Price-Earnings (x)	**10.1**	**8.5**	**7.3**	**7.4**	**6.1**	**5.3**	**5.5**	**5.3**	**4.8**
Core EPS (INR)	31.2	37.0	42.8	42.3	50.9	59.1	57.1	59.0	65.5
Adj Core EPS Growth (%)	56.7	18.7	15.4	-1.2	20.6	15.9	-3.4	3.4	11.0
Adj. Price-Core EPS (x)	**7.2**	**6.1**	**5.3**	**5.3**	**4.4**	**3.8**	**3.9**	**3.8**	**3.4**
DPS	10.0	12.0	13.3	13.5	15.8	18.6	18.0	18.3	20.2
Dividend Yield (%)	**3.1**	**3.7**	**4.1**	**4.2**	**4.9**	**5.8**	**5.6**	**5.7**	**6.3**

E: MOFSL Estimates

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 and BSE enlistment no. 5028. 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 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS 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

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. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
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(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

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

Disclaimer:

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

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

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

Registration granted by SEBI, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.