

BSE SENSEX
 31,449

S&P CNX
 9,794

CMP: INR79
TP: INR68(-14%)
Sell

Motilal Oswal values your support in the Asiamoney Brokers Poll 2017 for India Research, Sales and Trading team. We request your ballot.



Bloomberg	TPWR IN
Equity Shares (m)	2,705
M.Cap.(INRb)/(USDb)	215.0 / 3.2
52-Week Range (INR)	91 / 67
1, 6, 12 Rel. Per (%)	-2/-16/-6
Avg Val, INRm	394
Free float (%)	67.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	279.0	341.6	358.0
EBITDA	58.5	67.1	68.8
PAT	14.0	17.2	18.1
EPS (INR)	5.2	6.4	6.7
Gr. (%)	21.1	23.4	5.1
BV/Sh (INR)	43.5	48.4	62.0
RoE (%)	11.2	13.9	12.1
RoCE (%)	6.6	6.6	6.4
P/E (x)	15.4	12.5	11.9
P/BV (x)	1.8	1.6	1.3

Estimate change

TP change

Rating change


Net long coal gains still some time away

Lack of RoE-accretive growth opportunities; Sell

Tata Power's (TPWR) consolidated PAT grew 126% YoY, off a low base, to INR1.64b, led by Welspun acquisition (completed in 3QFY17) and FX benefits at Mundra. The gain from higher coal prices in JVs was more than offset by higher under-recoveries at Mundra. PAT came in below estimate of INR4.1b, led by higher losses at Mundra due to low availability, lower other income and a higher effective tax rate.

Consolidated net debt increased INR5.7b QoQ to INR473b.

Mundra and Coal JVs: Mundra's EBITDA declined ~INR3b YoY to a loss of INR770m, led by higher coal prices (from USD42/t to USD59/t) and a lag in benefit of fuel price escalation by CERC. However, PAT of coal companies (mining, infra and logistics) increased by INR2.3b YoY to INR3.7b. Had it received full benefit of fuel price escalation, Mundra's EBITDA would have been higher by ~INR1.2b. Under-recoveries increased by INR0.06/kWh QoQ to INR0.93/kWh.

Renewables: EBITDA (ex-standalone) increased from INR0.8b YoY to INR4.9b on capacity addition and acquisition of Welspun.

Other regulated businesses: Maithon PAT grew 12% YoY to INR760m on lower interest cost. Delhi distribution PAT was unchanged YoY at INR840m, and regulated equity was down 3% YoY to INR43.2b.

Lack of RoE-accretive growth opportunities and high leverage; Sell

TPWR is struggling for RoE-accretive growth opportunities. The regulated business is facing challenges and lacks material growth. RE is a potential driver, but the market is very competitive. Coal prices are boosting earnings, but are volatile and drive cost of equity higher. Sale of investments can be used to deleverage balance sheet, but is moving very slow. For RoE of ~11-12% and limited growth opportunities, the stock is expensive at 1.3x FY19E P/BV. We remain **Sell** based on FY19E P/BV of 1.1x, with TP of INR68/share.

Quarterly Performance (Consolidated) – INR million

Y/E March	FY17				FY18				FY17	FY18E	FY18	vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	68,383	72,089	66,837	71,668	69,686	71,080	72,502	128,298	278,977	341,566	81,122	-14
Rate regulated activity	-2,721	-3,064	1,523	-1,832	-2,438	0	0	2,438	-6,095	0	0	
EBITDA	13,634	11,552	15,551	11,635	15,874	18,886	19,324	14,541	52,372	67,121	16,035	-1
Margins (%)	19.9	16.0	23.3	16.2	22.8	26.6	26.7	11.3	18.8	19.7	19.8	
Depreciation	4,393	4,476	5,318	5,698	5,857	5,974	6,093	3,438	19,886	21,363	5,074	15
Interest	7,915	7,243	7,010	8,973	9,286	9,472	9,661	11,546	31,140	39,965	9,492	-2
Other Income	-477	1,029	-792	2,262	313	319	325	3,438	2,022	4,395	1,044	-70
PBT before EO expense	849	862	2,432	-775	1,044	3,760	3,895	2,994	3,369	10,188	2,513	-58
Extra-Ord expense	0	0	0	-6,515	0	0	0	0	-6,515	0	0	
PBT	849	862	2,432	-7,289	1,044	3,760	3,895	2,994	-3,145	10,188	2,513	-58
Tax	1,449	-1,117	706	-1,496	2,630	1,501	1,501	372	-458	6,004	1,501	
Rate (%)	170.6	-129.6	29.0	20.5	252.0	39.9	38.5	12.4	14.6	58.9	59.7	
Minority Interest & Profit/Loss of Asso.	1,324	1,383	4,356	3,169	3,224	3,289	3,354	3,187	10,142	13,054	3,100	
Reported PAT	725	3,362	6,082	-2,625	1,638	5,547	5,748	5,810	7,455	17,238	4,112	-60
Adj PAT	725	3,362	6,082	3,890	1,638	5,547	5,748	5,810	13,969	17,238	4,112	

Dhruv Muchhal – Research Analyst (Dhruv.Muchhal@MotilalOswal.com); +91 22 6129 1549

Sanjay Jain – Research Analyst (SanjayJain@MotilalOswal.com); +91 22 6129 1523

Investors are advised to refer through important disclosures made at the last page of the Research Report.

 Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Exhibit 1: TWPR adj. PAT – INR m

	1QFY17	1QFY18
a. Subsidiaries	-600	-1,586
Standalone	1,469	1,882
Mundra	-3,830	-4,310
Maithon	670	760
Delhi	820	840
Trading	80	70
Solar Manuf	-210	440
RE	110	1,150
Logistics	320	500
Others	-29	-2,919
b. Minority interest	-587	-571
c. JVs and associates	1,912	3,795
Coal mining	180	2,810
Infra	930	430
Cennergi	-30	-110
Powerlink	240	350
IEL	120	280
ITPC	550	290
Others	-78	-255
Adj. reported PAT	725	1,638

Source: MOSL, Company

Exhibit 2: CGPL

		1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
Revenues	INR m	12,150	15,920	14,970	17,950	11,660
per unit	INR/kwh	2.4	2.4	2.4	2.6	2.4
EBITDA	INR m	2,190	2,460	330	260	-770
per unit		0.4	0.4	0.1	0.0	-0.2
PAT	INR m	-3,830	-800	-2,440	-1,420	-4,310
Generation	MU	5,420	7,196	6,849	7,995	5,310
Sales	MU	4,987	6,629	6,304	6,919	4,876
Availability	%	63	85	77	93	61
FoB price of coal	USD/t	42	45	52	55	59
Revenue	INR/kWh	2.47	2.43	2.37	2.36	2.39
Under recovery	INR/kWh	-0.30	-0.43	-0.70	-0.86	-0.93

Source: MOSL, Company

Exhibit 3: Mundra + Coal assets – INR million

	1QFY17	1QFY18
Mundra EBITDA	2,190	-770
Coal companies PAT	1,430	3,740
Mining	180	2,810
Infra	930	430
Logistics	320	500
Mundra+Coal	3,620	2,970

Source: MOSL, Company

Exhibit 4: Maithon Power

		1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
Revenues	INR m	5,990	5,690	6,240	6,130	6,200
per unit	INR/kwh	3.4	3.8	3.3	3.4	3.4
EBITDA	INR m	2,150	1,930	2,180	1,950	2,080
per unit	INR/kwh	1.2	1.3	1.2	1.1	1.1
PAT	INR m	670	530	740	610	760
Generation	MU	1,845	1,596	1,984	1,932	1,952
Sales	MU	1,742	1,501	1,870	1,826	1,842
Availability	%	95	81	97	94	94
Regulated equity	INR m	14,440	14,440	14,440	14,440	14,450

Source: MOSL, Company

Exhibit 5: Delhi Distribution

		1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
Revenues	INR m	17,840	20,120	14,980	13,060	17,450
EBITDA	INR m	2,750	-1,340	3,000	840	2,830
PAT	INR m	820	690	1,130	10	840
Regulated equity	INR m	12,480	12,560	12,690	11,630	12,130
Regulatory assets	INR m	50,320	47,100	46,500	45,740	43,220

Source: MOSL, Company

Exhibit 6: Renewables (ex-standalone)

		1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
TPREPL (Renewable)						
Revenues	INR m	770	870	710	830	1,420
	INR/kwh	6.4	5.9	8.8	6.3	6.2
EBITDA	INR m	770	880	880	1,160	1,760
	INR/kwh	6.4	6.0	10.9	8.9	7.7
PAT	INR m	110	150	138	290	580
Operating capacity	MW	312	282	370	449	423
Generation	MU	125	152	83	137	236
Sales	MU	120	147	80	131	228

WREPL (Renewable)						
Revenues	INR m		450	2,700	3,160	3,320
	INR/kwh			7.3	7.1	7.1
EBITDA	INR m		410	2,550	2,870	3,150
PAT	INR m			60	1,220	570
Capacity	MW			1,141	1,141	1,153
Wind	MW			146	146	146
Solar	MW			995	995	1,007
Generation	MU			369	448	469
Sales	MU			367	448	469

Source: MOSL, Company

Financials and Valuations

Income Statement						(INR Million)
Y/E March	2015	2016	2017	2018E	2019E	2020E
Net Sales	337,276	374,802	278,977	341,566	358,016	377,109
Change (%)	-5.4	11.1	-25.6	22.4	4.8	5.3
Total Expenses	274,264	286,876	220,510	274,445	289,198	305,665
EBITDA	63,012	87,926	58,467	67,121	68,817	71,444
% of Net Sales	18.7	23.5	21.0	19.7	19.2	18.9
Depn. & Amortization	21,742	23,764	19,886	21,363	22,662	23,849
EBIT	41,270	64,162	38,581	45,758	46,155	47,595
Net Interest	36,993	34,765	31,140	39,965	39,047	37,993
Other income	4,167	2,970	2,022	4,395	4,395	4,395
PBT before EO	8,445	32,367	9,464	10,188	11,503	13,996
Regulatory inc./ (exp)	6,393	-10,194	-6,095	0	0	0
EO expense	0	2,805	6,515	0	-23,040	0
PBT after EO	14,837	19,367	-3,145	10,188	34,543	13,996
Tax	10,749	8,693	-458	6,004	6,673	7,628
Rate (%)	72.4	44.9	14.6	58.9	19.3	54.5
Reported PAT	4,088	10,674	-2,687	4,183	27,870	6,368
Minority and Associates	-2,410	-1,940	10,142	13,054	13,284	13,607
Adjusted PAT	1,678	11,539	13,969	17,238	18,114	19,975
Change (%)	-150.9	587.5	21.1	23.4	5.1	10.3

Balance Sheet						(INR Million)
	2015	2016	2017	2018E	2019E	2020E
Share Capital	2,705	2,705	2,705	2,705	2,705	2,705
Reserves	122,716	128,434	115,090	128,108	165,042	180,798
Net Worth	125,421	131,139	117,795	130,813	167,747	183,503
Minority Interest	24,926	25,814	18,690	20,109	21,392	22,658
Total Loans	423,419	416,209	503,198	508,441	485,827	484,829
Deferred Tax Liability	14,014	14,875	17,598	17,598	17,598	17,598
Capital Employed	587,779	588,037	657,280	676,961	692,564	708,587
Gross Block	583,351	617,804	597,716	635,647	668,837	701,688
Less: Accum. Deprn.	202,217	202,550	150,507	171,870	194,532	218,381
Net Fixed Assets	381,133	415,254	447,209	463,777	474,305	483,307
Capital WIP	36,505	45,441	21,779	21,779	21,779	21,779
Goodwill	66,258	46,767	17,325	17,325	17,325	17,325
Investments	27,326	28,855	108,592	114,924	121,184	127,583
Curr. Assets	243,207	240,748	226,458	214,739	215,808	219,046
Inventories	18,442	18,061	15,996	12,476	12,769	13,145
Account Receivables	55,640	52,042	38,321	35,870	37,651	39,773
Cash and Bank Balance	21,064	16,740	20,521	14,772	13,768	14,507
Others	148,062	153,905	151,621	151,621	151,621	151,621
Curr. Liability & Prov.	166,650	189,029	164,083	155,583	157,836	160,452
Account Payables	52,354	61,277	55,290	46,790	49,043	51,659
Provisions & Others	114,296	127,752	108,793	108,793	108,793	108,793
Net Curr. Assets	76,557	51,720	62,375	59,156	57,971	58,594
Appl. of Funds	587,779	588,037	657,280	676,961	692,564	708,587

Financials and Valuations

Cash flow statement

(INR Million)

	2015	2016	2017	2018E	2019E	2020E
EBITDA	63,012	87,926	58,467	67,121	68,817	71,444
FX gain/loss						
WC	-5,611	20,488	3,090	-2,530	180	117
Others	10,493	-6,583	8,637	0	0	0
Direct taxes (net)	-8,085	-4,295	458	-6,004	-6,673	-7,628
CF from Op. Activity	59,809	97,536	70,652	58,587	62,325	63,933
Capex	-34,936	-39,864	-35,000	-37,931	-33,190	-32,851
FCF	24,873	57,672	35,652	20,656	29,135	31,081
Int & div income	2,078	2,141	8,556	13,657	13,822	13,990
Investments(subs/JVs)	0	0	-92,490	0	0	0
Others	-5,891	-7,044	20,977	0	23,040	0
CF from Inv. Activity	-38,749	-44,767	-97,956	-24,274	3,672	-18,862
Share capital	20,692	149	0	0	0	0
Borrowings	-1,026	-13,037	96,440	5,244	-22,614	-998
Finance cost	-33,842	-33,515	-31,140	-39,965	-39,047	-37,993
Dividend	-5,121	-5,908	-5,177	-5,339	-5,339	-5,339
Others	-3,089	-3,369	-36,191	0	0	0
CF from Fin. Activity	-22,386	-55,680	23,932	-40,061	-67,001	-44,331
(Inc)/Dec in Cash	-1,326	-2,911	-3,372	-5,749	-1,004	740
Opening balance	13,845	12,616	12,108	9,543	3,794	2,790
Closing balance (as per B/S)	12,519	9,706	8,735	3,794	2,790	3,530

Ratios

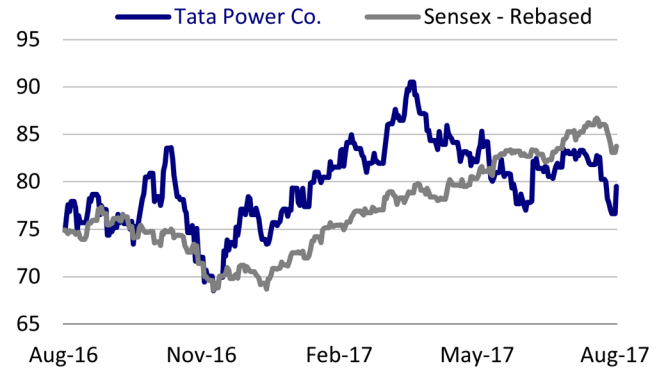
	2015	2016	2017	2018E	2019E	2020E
Basic (INR)						
EPS	0.6	4.3	5.2	6.4	6.7	7.4
Cash EPS	8.7	13.1	12.5	14.3	15.1	16.2
BV/Share	46.4	48.5	43.5	48.4	62.0	67.8
DPS	1.3	1.3	1.3	1.3	1.3	1.3
Payout (%)	209.5	30.5	25.2	20.4	19.4	17.6
Valuation (x)						
P/E	124.3	15.2	15.4	12.5	11.9	10.8
Cash P/E	8.9	5.0	6.4	5.6	5.3	4.9
P/BV	1.7	1.3	1.8	1.6	1.3	1.2
EV/EBITDA	10.1	6.8	12.3	10.9	10.3	9.9
Dividend Yield (%)	1.7	2.0	1.6	1.6	1.6	1.6
FCF(pre-int) to EV yield(%)	8.9	15.8	10.4	9.2	10.0	10.3
Return Ratios (%)						
RoE	1.4	9.0	11.2	13.9	12.1	11.4
RoCE (post-tax)	6.1	9.9	6.6	6.6	6.4	6.3
RoIC (post-tax)	2.7	8.0	7.0	3.8	7.3	4.1
Working Capital Ratios						
Fixed Asset Turnover (x)	0.9	0.9	0.6	0.7	0.8	0.8
Asset Turnover (x)	0.6	0.6	0.4	0.5	0.5	0.5
Debtor (Days)	60	51	50	38	38	38
Inventory (Days)	20	18	21	13	13	13
Leverage Ratio (x)						
Net Debt/EBITDA	6.4	4.5	8.3	7.4	6.9	6.6
Debt/Equity	2.7	2.5	3.5	3.3	2.5	2.3

Corporate profile

Company description

The Tata Power Company Limited generates and supplies electricity. The Company constructs and operates independent power plants, as well as specializes in transmission and distribution of electricity. Tata Power Company delivers its products and services in India.

Exhibit 1: Sensex rebased



Source: MOSL/Bloomberg

Exhibit 2: Shareholding pattern (%)

	Jun-17	Mar-17	Jun-16
Promoter	33.0	33.0	33.0
DII	24.7	23.5	24.5
FII	26.4	27.3	26.1
Others	15.9	16.2	16.3

Note: FII Includes depository receipts Source: Capitaline

Exhibit 3: Top holders

Holder Name	% Holding
Life Insurance Corporation Of India	12.1
Matthews Pacific Tiger Fund	6.1
Icici Prudential Balanced Fund	4.1
First State Investments Icvc- Stewart Investors Global Emerging Markets Leaders Fund	3.6
General Insurance Corporation Of India	2.5

Source: Capitaline

Exhibit 4: Top management

Name	Designation
N Chandrasekaran	Chairman
Anil Sardana	Managing Director & CEO
S Padmanabhan	Director
Sandhya S Kudtarkar	Director
Ashok S Sethi	Executive Director & COO

Exhibit 5: Directors

Name	Name
S Padmanabhan	K M Chandrasekhar
Sandhya S Kudtarkar	N H Mirza
Pratip Chaudhuri	Sanjay Bhandarkar
Anjali Bansal	Vibha Padalkar
Deepak Satwalekar	

*Independent

Source: Capitaline

Exhibit 6: Auditors

Name	Type
Deloitte Haskins & Sells LLP	Statutory
Parikh & Associates	Secretarial Audit
S R B C & Co LLP	Statutory
Sanjay Gupta & Associates	Cost Auditor

Source: Capitaline

Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY18	88.9	52.4	69.7
FY19	99.3	71.6	38.7
FY20	108.1	93.0	16.2

Source: Bloomberg

NOTES

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 Securities Ltd. (MOSL) is a SEBI Registered Research Analyst having registration no. INH00000412. MOSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOSL is a subsidiary company of Motilal Oswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. 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), Metropolitan Stock Exchange Of India Ltd. (MSE) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. Details of associate entities of Motilal Oswal Securities Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Pending Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudge violation of SEBI Regulations; MOSL requested SEBI to provide all documents, records, investigation report relied upon by SEBI which were referred in Show Cause Notice and also sought personal hearing. The matter is currently pending.

MOSL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MOSL and/or its associates and/or Research Analyst may have 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. MOSL 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 MOSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. MOSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, MOSL or any of its associates may have:

- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- Subject Company may have been a client of MOSL or its associates during twelve months preceding the date of distribution of the research report.

MOSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOSL 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 MOSL 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.

Terms & Conditions:

This report has been prepared by MOSL 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 MOSL. 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. MOSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

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

Disclosure of Interest Statement

- Analyst ownership of the stock

Tata Power

No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOSL 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 MOSL & 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. INH00000412) 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 Securities Limited (MOSL) 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 MOSL 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 MOSL, 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., MOSL 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

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time. In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

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. MOSL, 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 MOSL. 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 MOSL 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, nor 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 MOSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSL 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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 3080 1000. Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-30801085.

Registration details of group entities: MOSL: NSE (Cash): INB231041238; NSE (F&O): INF231041238; NSE (CD): INE231041238; BSE (Cash): INB011041257; BSE(F&O): INF011041257; BSE(CD): MSE(Cash): INB261041231; MSE(F&O): INF261041231; MSE(CD): INE261041231; CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH00000412. AMFI: ARN 17397. Investment Adviser: INA000007100. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP00000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) offers wealth management solutions. *Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. * Motilal Oswal Commodities Broker Pvt. Ltd. offers Commodities Products. * Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. * Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products