

KNR Constructions

| | |
|-----------------|--|
| Estimate change | |
| TP change | |
| Rating change | |

| | |
|-----------------------|------------|
| Bloomberg | KNRC IN |
| Equity Shares (m) | 281 |
| M.Cap.(INRb)/(USDb) | 56.8 / 0.6 |
| 52-Week Range (INR) | 368 / 189 |
| 1, 6, 12 Rel. Per (%) | -4/-30/-45 |
| 12M Avg Val (INR m) | 383 |

Financials & Valuations (INR b)

| Y/E Mar | 2025 | 2026E | 2027E |
|-------------------|-------|-------|-------|
| Sales | 32.3 | 25.3 | 36.5 |
| EBITDA | 5.1 | 3.5 | 5.5 |
| PAT | 3.9 | 2.4 | 4.0 |
| EBITDA (%) | 15.7 | 13.7 | 15.0 |
| EPS (INR) | 13.9 | 8.7 | 14.4 |
| EPS Gr. (%) | -9.0 | -37.5 | 65.9 |
| BV/Sh. (INR) | 140.3 | 148.7 | 162.6 |
| Ratios | | | |
| Net D/E | 0.0 | -0.1 | 0.0 |
| RoE (%) | 10.4 | 6.0 | 9.2 |
| RoCE (%) | 12.2 | 6.3 | 9.5 |
| Payout (%) | 2.5 | 5.6 | 3.5 |
| Valuations | | | |
| P/E (x) | 14.4 | 23.3 | 14.1 |
| P/BV (x) | 1.4 | 1.4 | 1.2 |
| EV/EBITDA (x) | 10.9 | 14.9 | 10.2 |
| Div Yield (%) | 0.1 | 0.2 | 0.2 |
| FCF Yield (%) | -5.0 | 9.9 | -4.4 |

Shareholding pattern (%)

| As On | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 48.8 | 48.8 | 48.8 |
| DII | 25.1 | 28.3 | 30.8 |
| FII | 7.1 | 6.9 | 8.2 |
| Others | 19.0 | 16.0 | 12.3 |

FII Includes depository receipts

CMP: INR202

TP: INR210 (+4%)

Neutral

Execution slump drags performance; no near-term triggers

- During 1QFY26, KNR Constructions (KNRC) received certain one-time adjustments and arbitration claims. For a like-for-like comparison, we have adjusted the same in revenue, other income, other expenses, and total taxes in 1QFY26 and have shown that as an exceptional item.
- KNRC's 1QFY26 revenue dipped ~41% YoY to ~INR4.8b (34% below our est.).
- EBITDA margin contracted 370bp YoY to 12.9% (v/s our estimate of 13.9%) in 1QFY26. EBITDA declined ~55% YoY to INR617 (against our estimate of INR1b). In line with weak operating performance, APAT decreased 46% YoY to INR433m (39% below our estimate of INR710m).
- KNRC's current order book stands at ~INR83b.
- KNRC posted a disappointing performance in 1QFY26, missing our estimates by a wide margin as execution slowed sharply and revenue plunged. The quarter was marred by muted activity, with most existing projects nearing completion and new orders yet to meaningfully contribute. Elevated receivables from Telangana irrigation projects and HAM assets drove working capital days to 169 (from 93 days in Mar'25), pressuring cash flows.
- Given the subdued execution in 1Q FY26, we project a muted revenue CAGR of 6% over FY25–27E. EBITDA margin expectations have been trimmed to 13–15% (vs. 14–15% earlier), aligning with the softer management guidance. With a bleak execution outlook in the near term, we cut our FY26 revenue and EBITDA estimates by ~17% and ~19%, respectively, while keeping our FY27 estimates broadly unchanged. **We reiterate our Neutral rating on the stock with an SoTP-based TP of INR210. We value its EPC business at a P/E of 12x on FY27E EPS and its BOT assets at 1x investment value.**

Key takeaways from the management commentary

- As of Jun'25, the order book stood at ~INR83b, comprising 27% roads, 17% irrigation, 13% pipeline, and 43% mining projects. Client-wise, 29% of orders are from third-party clients (74% state government, 4% central government, and 1% private sector) and 71% captive. Excluding mining, the order book is executable over the next 18-24 months.
- Out of the revised INR9.9b equity requirement for HAM projects, INR6.3b has been infused to date, with the balance of INR3.1b to be deployed over FY26 and FY27.
- FY26 revenue guidance revised to INR20–25b (vs. earlier INR25–30b), given limited contribution from new orders and ~INR900m expected from the mining project in the first year.
- KNRC's FY26 EBITDA margin is expected to be 13.0–13.5%.

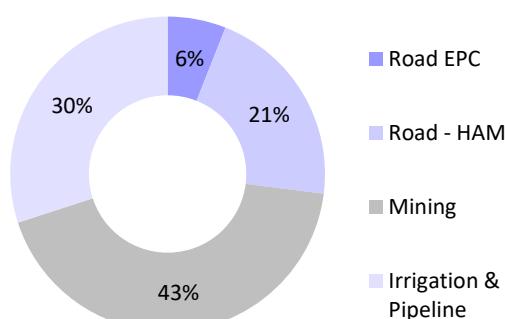
Valuation and view

- Factoring in a subdued execution in 1QFY26 and a thin order book, we now expect a tepid revenue CAGR of 6% over FY25–27E. EBITDA margin assumptions are also revised downward to 13-14% (from 14-15% earlier), in line with weak guidance. With a bleak execution outlook in the near term, we sharply reduce our revenue estimates for FY26 by ~17% and EBITDA estimates by ~19%, while largely maintaining our estimates for FY27.
- We reiterate our Neutral rating on the stock with an SoTP-based TP of INR210. We value the EPC business at a P/E of 12x on FY27E EPS and BOT assets at 1x investment value.

Quarterly performance – Standalone

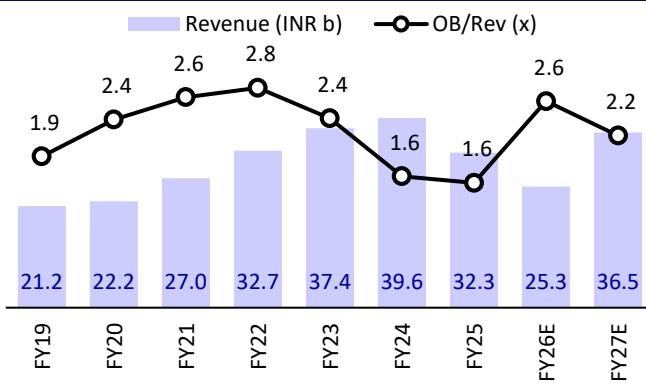
| Y/E March | | | | | | | | | (INR m) | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|
| | FY25 | | | | FY26E | | | | FY25 | FY26E | MOFSL |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | Var (%) |
| Net Sales | 8,193 | 8,561 | 7,079 | 8,512 | 4,792 | 5,860 | 7,073 | 7,535 | 32,344 | 25,259 | 7,275 |
| YoY Change (%) | -11.9 | -9.1 | -21.8 | -27.8 | -41.5 | -31.5 | -0.1 | -11.5 | -18.2 | -21.9 | -11.2 |
| EBITDA | 1,356 | 1,380 | 1,173 | 1,175 | 617 | 785 | 990 | 1,068 | 5,084 | 3,460 | 1,011 |
| Margins (%) | 16.6 | 16.1 | 16.6 | 13.8 | 12.9 | 13.4 | 14.0 | 14.2 | 15.7 | 13.7 | 13.9 |
| Depreciation | 225 | 226 | 229 | 223 | 150 | 180 | 200 | 229 | 903 | 759 | 240 |
| Interest | 41 | 20 | 31 | 38 | 34 | 30 | 28 | 22 | 129 | 114 | 28 |
| Other Income | 51 | 575 | 130 | 185 | 150 | 160 | 170 | 152 | 941 | 631 | 205 |
| PBT before EO expense | 1,141 | 1,709 | 1,044 | 1,099 | 583 | 735 | 932 | 969 | 4,993 | 3,219 | 948 |
| Extra-Ord expense | 531 | 1,867 | 919 | 0 | 80 | 0 | 0 | 0 | 3,317 | 80 | 0 |
| Tax | 334 | 344 | 253 | 348 | 150 | 185 | 235 | 244 | 1,279 | 814 | 239 |
| Rate (%) | 29.2 | 20.1 | 24.3 | 31.6 | 25.7 | 25.2 | 25.2 | 25.2 | 25.6 | 25.3 | 25.2 |
| Minority Interest & Profit/Loss of Asso. Cos. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reported PAT | 1,339 | 3,344 | 1,822 | 752 | 513 | 550 | 698 | 725 | 7,257 | 2,485 | 710 |
| Adj PAT | 807 | 1,477 | 903 | 752 | 433 | 550 | 698 | 725 | 3,939 | 2,405 | 710 |
| YoY Change (%) | -26.8 | 47.9 | 5.6 | -43.4 | -46.4 | -62.7 | -22.8 | -3.6 | -8.1 | -38.9 | -12.1 |
| Margins (%) | 9.9 | 17.3 | 12.8 | 8.8 | 9.0 | 9.4 | 9.9 | 9.6 | 12.2 | 9.5 | 9.8 |

Exhibit 1: OB breakup (1QFY26: INR83b)



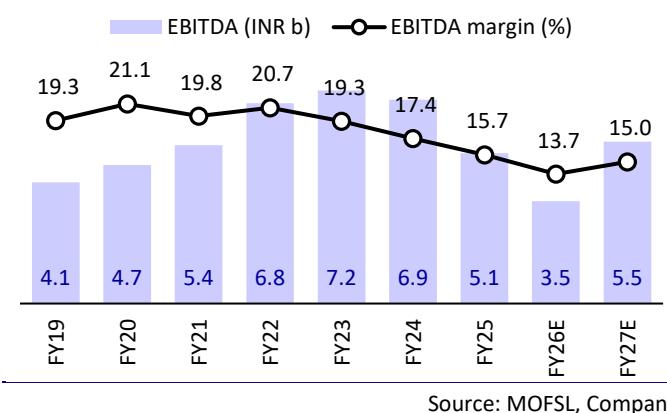
Source: MOFSL, Company

Exhibit 2: With the current OB, revenue is likely to clock a 6% CAGR over FY25–27E



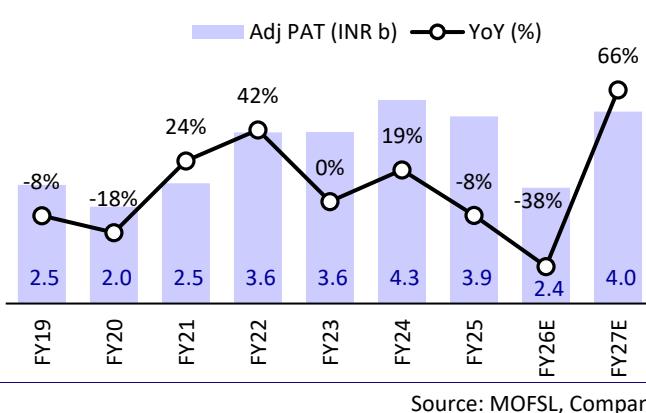
Source: MOFSL, Company

Exhibit 3: EBITDA and EBITDA margin trends



Source: MOFSL, Company

Exhibit 4: Adjusted PAT to post a 1% CAGR over FY25–27E



Source: MOFSL, Company



Highlights from the management commentary

Industry opportunity

- The road sector witnessed muted ordering in 1Q FY26, with NHAI awarding only 166km of projects between Apr–Jun'25. Execution, however, showed a marginal improvement, with 1,092km constructed, slightly ahead of the prior year. The slowdown in new awards was largely due to the government's decision to initiate bidding only after securing 90% land acquisition, aimed at minimizing execution delays.
- The project pipeline remains robust, with ~INR3.4t worth of opportunities spanning 6,376kms across 124 highway and expressway projects. Of these, ~84 projects are expected under HAM, 28 via EPC, and 12 under BOT.
- Sector reforms include additional performance security requirements for aggressively priced bids, tighter eligibility norms for consultants, and the adoption of smart construction technologies for real-time monitoring and efficiency gains.

Order book and bidding pipeline

- As of Jun'25, the order book stood at ~INR83b, comprising 27% roads, 17% irrigation, 13% pipeline, and 43% mining projects. Client-wise, 29% of orders are from third-party clients (74% state govt, 4% central govt, 1% private sector) and 71% captive. Excluding mining, the order book is executable over the next 18-24 months.

- The company targets INR100–120b of fresh orders in FY26, excluding the recently secured INR35b mining contract from NTPC (74% KNRC's share). The bidding pipeline includes ~INR3.5b of L1 positions, with key opportunities in Tamil Nadu, Andhra Pradesh, Telangana (GHMC flyover, Musi riverfront), irrigation projects in MP/Rajasthan/Bihar, and NHAI's INR3.4t pipeline.
- Of the revised INR9.9b equity requirement for HAM projects, INR6.3b has been infused to date, with the balance INR3.1b to be deployed over FY26 and FY27.

Other highlights

- Working capital days rose to 169 in 1Q FY26 (vs 93 in Mar'25) due to delayed payments from Telangana irrigation and HAM projects, alongside lower execution in irrigation, which inflated receivable days.
- Irrigation receivables: INR13b pending from Telangana projects (~INR8b certified bills), with management expecting ~INR12b recovery by Mar'26 following state-level assurances. Further, two Telangana projects worth ~INR4.3b were awarded in FY26.
- Mining project: JV with NCC (74:26) awarded Vemardi coal mine in Jharkhand (INR48b excl. GST). First-year revenue ~INR900m, ramping to ~INR7b annually.
- The majority of existing projects were more than 90% complete, and new orders received appointed dates only recently, which led to lower execution in 1Q FY26; the irrigation share of revenue was down to 6% in 1Q FY26.
- Unbilled revenue stood at ~INR10b as of Jun'25 (INR5b irrigation, balance INR5b in roads).
- KNR is planning to enter the metro, railway, BOT toll, and solar sectors, and is exploring JVs for capability expansion.
- Monetization: Sale of four HAM assets in advanced stages; deal closures expected within one month.
- Net debt-to-equity at 0.43x (Jun'25) vs 0.41x (Mar'25).

Guidance

- FY26 revenue guidance revised to INR20–25b (vs earlier INR25–30b), given limited contribution from new orders and ~INR900m expected from mining in the first year.
- FY26 EBITDA margin expected at 13–13.5%.
- Water pipeline project to contribute ~INR5b revenue in FY26.
- Capex in 1Q FY26 was ~INR20m; FY26 capex is expected to be ~INR2b; mining-related capex of INR3–4b to be incurred in FY27.
- Strong execution pick-up expected in FY27, with potential revenue of INR30–35b, supported by mining, water pipeline, and HAM project contributions

Exhibit 5: Revisions to our earnings estimates

| Earnings Change INR m | Old | | New | | Change | |
|--------------------------|--------|--------|--------|--------|--------|-------|
| | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| Revenue | 30,311 | 36,124 | 25,259 | 36,545 | -16.7% | 1.2% |
| EBITDA | 4,244 | 5,419 | 3,460 | 5,482 | -18.5% | 1.2% |
| EBITDA margin | 14.0% | 15.0% | 13.7% | 15.0% | -0.3% | 0.0% |
| Adj. PAT | 3,045 | 3,986 | 2,436 | 4,042 | -20.0% | 1.4% |

Source: Company, MOFSL

Valuation and view

- Factoring in a subdued execution in 1QFY26 and a thin order book, we now expect a tepid revenue CAGR of 6% over FY25–27E. EBITDA margin assumptions are also revised downward to 13-14% (from 14-15% earlier), in line with weak guidance. With a bleak execution outlook in the near term, we sharply reduce our revenue estimates for FY26 by ~17% and EBITDA estimates by ~19%, while largely maintaining our estimates for FY27.
- We reiterate our Neutral rating on the stock with an SoTP-based TP of INR210. We value the EPC business at a P/E of 12x on FY27E EPS and BOT assets at 1x investment value.**

Exhibit 6: Our SoTP-based TP stands at INR210

| Particulars | INR m | Per share (INR) |
|-------------------------|---------------|-----------------|
| Valuation | | |
| FY27 PAT – 12x P/E | 50,118 | 180 |
| BOT Portfolio valuation | 10,862 | 30 |
| Total | 60,979 | 210 |

Source: MOFSL, Company

Financials and valuations

| Standalone Income Statement | | | | | | (INR m) |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
| Total Income from Operations | 32,726 | 37,438 | 39,558 | 32,344 | 25,259 | 36,545 |
| Change (%) | 21.1 | 14.4 | 5.7 | -18.2 | -21.9 | 44.7 |
| EBITDA | 6,777 | 7,217 | 6,902 | 5,084 | 3,460 | 5,482 |
| Margin (%) | 20.7 | 19.3 | 17.4 | 15.7 | 13.7 | 15.0 |
| Depreciation | 1,346 | 1,474 | 1,245 | 903 | 759 | 1,049 |
| EBIT | 5,431 | 5,743 | 5,657 | 4,181 | 2,701 | 4,433 |
| Int. and Finance Charges | 274 | 393 | 293 | 130 | 114 | 128 |
| Other Income | 417 | 321 | 328 | 941 | 631 | 1,096 |
| PBT bef. EO Exp. | 5,574 | 5,671 | 5,692 | 4,993 | 3,219 | 5,401 |
| EO Items | 214 | 1,380 | 654 | 3,317 | 80 | 0 |
| PBT after EO Exp. | 5,788 | 7,051 | 6,346 | 8,310 | 3,299 | 5,401 |
| Total Tax | 1,970 | 2,062 | 1,407 | 1,279 | 783 | 1,359 |
| Tax Rate (%) | 34.0 | 29.3 | 22.2 | 15.4 | 23.7 | 25.2 |
| Reported PAT | 3,818 | 4,988 | 4,938 | 7,257 | 2,516 | 4,042 |
| Adjusted PAT | 3,604 | 4,148 | 4,284 | 3,939 | 2,436 | 4,042 |
| Change (%) | 42.4 | 15.1 | 3.3 | -8.1 | -38.2 | 65.9 |
| Margin (%) | 11.0 | 11.1 | 10.8 | 12.2 | 9.6 | 11.1 |

| Standalone Balance Sheet | | | | | | (INR m) |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
| Equity Share Capital | 562 | 562 | 562 | 562 | 562 | 562 |
| Total Reserves | 21,857 | 26,780 | 31,694 | 38,887 | 41,263 | 45,164 |
| Net Worth | 22,420 | 27,343 | 32,257 | 39,450 | 41,825 | 45,726 |
| Total Loans | 0 | 3 | 0 | 0 | 0 | 0 |
| Deferred Tax Liabilities | -1,183 | -1,229 | -1,367 | -1,276 | -1,276 | -1,276 |
| Capital Employed | 21,237 | 26,116 | 30,889 | 38,174 | 40,549 | 44,450 |
| Gross Block | 15,471 | 16,955 | 17,756 | 17,979 | 19,979 | 21,979 |
| Less: Accum. Deprn. | 10,668 | 12,142 | 13,387 | 14,290 | 15,049 | 16,098 |
| Net Fixed Assets | 4,803 | 4,813 | 4,369 | 3,689 | 4,930 | 5,881 |
| Capital WIP | 206 | 25 | 22 | 26 | 26 | 26 |
| Total Investments | 4,828 | 5,244 | 6,620 | 7,862 | 9,362 | 10,862 |
| Current Assets | 22,275 | 25,685 | 29,999 | 33,662 | 31,837 | 35,792 |
| Inventory | 2,270 | 2,341 | 2,207 | 1,603 | 1,252 | 1,811 |
| Account Receivables | 8,494 | 9,834 | 13,642 | 12,450 | 10,104 | 12,791 |
| Cash and Bank Balance | 1,733 | 1,998 | 2,346 | 1,436 | 5,286 | 1,031 |
| Other current assets | 9,778 | 11,512 | 11,804 | 18,174 | 15,196 | 20,159 |
| Current Liability | 10,875 | 9,651 | 10,121 | 7,065 | 5,606 | 8,111 |
| Account Payables | 2,945 | 3,760 | 2,739 | 3,080 | 2,405 | 3,479 |
| Other current liabilities | 7,590 | 5,630 | 7,236 | 3,768 | 3,031 | 4,385 |
| Provisions | 339 | 261 | 146 | 218 | 170 | 246 |
| Net Current Assets | 11,400 | 16,034 | 19,879 | 26,597 | 26,231 | 27,681 |
| Appl. of Funds | 21,237 | 26,116 | 30,889 | 38,174 | 40,549 | 44,450 |

Financials and valuations

Ratios

| Y/E March | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------|------|------|-------|-------|-------|-------|
| Basic (INR) | | | | | | |
| EPS | 12.8 | 14.7 | 15.2 | 14.0 | 8.7 | 14.4 |
| Cash EPS | 17.6 | 20.0 | 19.7 | 17.2 | 11.4 | 18.1 |
| BV/Share | 79.7 | 97.2 | 114.7 | 140.3 | 148.7 | 162.6 |
| DPS | 0.2 | 0.2 | 0.2 | 0.2 | 0.4 | 0.4 |
| Payout (%) | 1.8 | 1.4 | 1.4 | 1.0 | 5.6 | 3.5 |
| Valuation (x) | | | | | | |
| P/E | 15.8 | 13.7 | 13.3 | 14.4 | 23.3 | 14.1 |
| P/BV | 2.5 | 2.1 | 1.8 | 1.4 | 1.4 | 1.2 |
| EV/EBITDA | 8.1 | 7.6 | 7.9 | 10.9 | 14.9 | 10.2 |
| Dividend Yield (%) | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 |
| FCF per share | 1.8 | -1.4 | 5.2 | -10.0 | 19.9 | -8.8 |
| Return Ratios (%) | | | | | | |
| RoE | 17.5 | 16.7 | 14.4 | 11.0 | 6.0 | 9.2 |
| RoCE | 18.8 | 17.2 | 15.6 | 12.1 | 6.3 | 9.5 |
| RoIC | 28.0 | 24.4 | 21.6 | 13.9 | 7.5 | 11.4 |
| Working Capital Ratios | | | | | | |
| Fixed Asset Turnover (x) | 2.1 | 2.2 | 2.2 | 1.8 | 1.3 | 1.7 |
| Asset Turnover (x) | 1.5 | 1.4 | 1.3 | 0.8 | 0.6 | 0.8 |
| Inventory (Days) | 25 | 23 | 20 | 18 | 18 | 18 |
| Debtor (Days) | 95 | 96 | 126 | 140 | 146 | 128 |
| Creditor (Days) | 33 | 37 | 25 | 35 | 35 | 35 |
| Leverage Ratio (x) | | | | | | |
| Current Ratio | 2.0 | 2.7 | 3.0 | 4.8 | 5.7 | 4.4 |
| Interest Coverage Ratio | 19.8 | 14.6 | 19.3 | 32.3 | 23.8 | 34.7 |
| Net Debt/Equity | -0.1 | -0.1 | -0.1 | 0.0 | -0.1 | 0.0 |

Standalone Cash Flow Statement

(INR m)

| Y/E March | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|-----------------------------------|---------------|--------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | 5,788 | 7,051 | 6,893 | 9,594 | 3,219 | 5,401 |
| Depreciation | 1,346 | 1,474 | 1,245 | 903 | 759 | 1,049 |
| Interest and Finance Charges | 271 | 363 | 209 | 115 | 114 | 128 |
| Direct Taxes Paid | -1,826 | -2,117 | -2,177 | -2,167 | -783 | -1,359 |
| (Inc.)/Dec. in WC | -1,660 | -5,235 | -4,068 | -7,364 | 4,215 | -5,704 |
| CF from Operations | 3,919 | 1,536 | 2,102 | 1,081 | 7,524 | -486 |
| Others | -487 | -1,407 | 75 | -3,717 | 80 | 0 |
| CF from Operating incl. EO | 3,432 | 129 | 2,178 | -2,637 | 7,604 | -486 |
| (Inc.)/Dec. in FA | -2,939 | -516 | -728 | -181 | -2,000 | -2,000 |
| Free Cash Flow | 493 | -387 | 1,450 | -2,818 | 5,604 | -2,486 |
| (Pur.)/Sale of Investments | 296 | 980 | -1,912 | -676 | -1,500 | -1,500 |
| Others | 161 | 143 | 1,100 | 2,771 | 0 | 0 |
| CF from Investments | -2,483 | 607 | -1,540 | 1,914 | -3,500 | -3,500 |
| Inc./(Dec.) in Debt | -7 | 3 | -3 | 0 | 0 | 0 |
| Interest Paid | -312 | -402 | -217 | -117 | -114 | -128 |
| Dividend Paid | -70 | -70 | -70 | -70 | -141 | -141 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 |
| CF from Fin. Activity | -390 | -470 | -290 | -187 | -254 | -269 |
| Inc./Dec. in Cash | 560 | 265 | 348 | -910 | 3,850 | -4,254 |
| Opening Balance | 1,173 | 1,733 | 1,998 | 2,346 | 1,436 | 5,286 |
| Closing Balance | 1,733 | 1,998 | 2,346 | 1,436 | 5,286 | 1,031 |

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 Analyst is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal Capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal Capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interest 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: No
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 recommendation 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 warranty, 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 alterations 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, 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 MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

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

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

| Contact Person | Contact No. | Email ID |
|--------------------|-----------------------------|--|
| Ms. Hemangi Date | 022 40548000 / 022 67490600 | query@motilaloswal.com |
| Ms. Kumud Upadhyay | 022 40548082 | servicehead@motilaloswal.com |
| Mr. Ajay Menon | 022 40548083 | am@motilaloswal.com |

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.