

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BHARTI IN
Equity Shares (m)	5673
M.Cap.(INRb)/(USDb)	4576.6 / 55.5
52-Week Range (INR)	877 / 629
1, 6, 12 Rel. Per (%)	2/-/5/0
12M Avg Val (INR M)	4974

### Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Net Sales	1,391	1,531	1,683
EBITDA	713	797	892
Adj. PAT	76	110	164
EBITDA Margin (%)	51.2	52.1	53.0
Adj. EPS (INR)	13.6	19.6	29.3
EPS Gr. (%)	115	44	49
BV/Sh. (INR)	139	196	225

### Ratios

Net D:E	2.7	1.5	1.1
RoE (%)	10.5	11.7	13.9
RoCE (%)	10.0	9.8	11.1
Div. Payout (%)	0.0	0.0	0.0

### Valuations

EV/EBITDA (x)	9.3	7.8	6.6
P/E (x)	58.3	40.4	27.1
P/BV (x)	5.7	4.1	3.5
Div. Yield (%)	0.0	0.0	0.0

### Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	55.0	55.1	55.9
DII	19.9	19.2	19.5
FII	21.0	21.8	19.4
Others	4.0	4.0	5.2

FII Includes depository receipts

**CMP: INR792 TP: INR950 (+20%) Buy**

## Soft earnings; FCF falls on aggressive capex

- Consolidated revenue/EBITDA grew 1% QoQ due to soft 1% growth in each of the India Mobile/Africa businesses. As expected ([recent report](#)), capex rose 23% QoQ to INR114b, leading to moderation in FCF and deleveraging.
- In the near term, we believe earnings growth is expected to remain soft due to slow market share gain, limited tariff hikes and moderating 4G mix benefits. Moreover, higher capex for the 5G rollout and rural coverage could lead to moderate FCF generation. As a result, we believe the stock could remain range-bound in the near term. However, the company is well poised to benefit from sectoral tailwinds for the next two years (EBITDA CAGR of 12% over FY23-25E). Reiterate our BUY rating on the stock.

## India Mobile/Africa EBITDA growth slows to mere 1%/flat

- Consolidated revenue inched up 1% QoQ to INR360b (in line), with 1% growth in India Mobile revenue and a 1% decline Africa revenue.
- Consolidated EBITDA grew by a mere 1% QoQ to INR187b** (in line), with 1% growth in India Mobile and flat Africa EBITDA. Home and Enterprise businesses saw 7%/3% QoQ growth. EBITDA margin grew 40bp to 51.9% on improvements in Home and Enterprise businesses.
- Consolidated PAT after minority was up 89% at INR30.1b, which led to a profit of INR8.9b in JV. Adjusted consolidated PAT after minority stood at INR26b v/s INR20b QoQ (est. INR20.4b).
- Revenue/EBITDA/PAT after minority reported strong YoY growth of 19%/24%/2x in FY23.
- India Mobile ARPU was flat QoQ at INR193 and the number of subscribers grew 1% QoQ to 335m (added 3m v/s 6m for RJio).
- OCF fell 3% QoQ to INR122b due to soft earnings growth and increased tax and interest. Higher capex pulled down FCF to merely INR7.9b v/s INR33.4b QoQ. Both India and Africa have seen a rise in capex. **For the last four quarters, FCF has continued to decline from the peak of INR47b in 4QFY22 to INR7.9b in 4QFY23.**
- The net debt too has risen significantly to INR2.1t, with the net debt-to-EBITDA ratio of 2.8x. Excluding lease liability, it stands at INR1b.

## Key highlights from the management commentary

- Revenue grew 1% QoQ despite two fewer days in Feb'23 (after adjusting it, ARPU stood at INR195).
- Bharti focuses on the densification of top 150 urban cities, which account for 40%/75%/90% of overall/broadband/B2B markets. It is also expanding in rural markets, which have become prospective 4G markets.
- FY24 capex is expected to be at FY23 level, while it could come down in FY25 as the 4G rollout completes and 5G wireless capex peaks out.
- Bharti has re-launched its 'war-on-waste' program, with the focus on reducing network costs and sales costs, and stopping capacity investments in 4G where it is witnessing traffic offload from 5G.

Aliasgar Shakir - Research Analyst (Aliasgar.Shakir@motilaloswal.com)

Research Analyst: Tanmay Gupta (Tanmay.Gupta@motilaloswal.com) | Harsh Gokalgandhi (Harsh.Gokalgandhi@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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Valuation and view**

- In the near term, BHARTI earnings should soften (we build in an EBITDA CAGR of 12% over FY23-25E) due to moderating growth from 4G mix benefits, low probability of tariff hikes and softening market share gains.
- Moreover, increased capex (factoring INR377b/INR394b in FY24/25 for 5G rollout and rural coverage) should lead to a moderation in FCF generation and the pace of deleveraging in the near term. As a result, valuations may remain under pressure.
- However, over the next two years, it is well poised to benefit from sectoral tailwinds coming from 1) market share gains, 2) improved ARPU, led by premiumization of customers, tariff hikes, and 3) non-wireless segments.
- We value BHARTI at INR950 based on SoTP, assigning an EV/EBITDA ratio of 10x/5x to the India Mobile/Africa businesses. Retain BUY on the stock.

**Consolidated - Quarterly Earning Model**

Y/E March	FY22				FY23				FY22	FY23	FY23E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Revenue</b>	<b>269</b>	<b>283</b>	<b>299</b>	<b>315</b>	<b>328</b>	<b>345</b>	<b>358</b>	<b>360</b>	<b>1,165</b>	<b>1,391</b>	<b>368</b>	-2.0
YoY Change (%)	12.2	13.0	12.6	22.3	22.2	21.9	19.9	14.3	15.8	19.4	16.7	
Total Expenditure	139	145	152	155	163	169	174	173	590	679	177	-2.4
<b>EBITDA</b>	<b>130</b>	<b>138</b>	<b>147</b>	<b>160</b>	<b>165</b>	<b>176</b>	<b>185</b>	<b>187</b>	<b>575</b>	<b>713</b>	<b>190</b>	-1.7
YoY Change (%)	24.7	24.8	22.0	30.1	27.3	27.4	25.5	16.6	26.8	23.9	18.6	-11
Depreciation	77	82	85	86	88	89	93	94	331	364	96	-2.0
Net Finance cost	42	40	44	41	45	49	47	52	166	193	47	10.4
Other Income	7	7	8	7	4	6	-1	9	30	17	2	397.3
<b>PBT before EO expense</b>	<b>17</b>	<b>23</b>	<b>26</b>	<b>41</b>	<b>36</b>	<b>43</b>	<b>44</b>	<b>50</b>	<b>108</b>	<b>172</b>	<b>49</b>	2.0
Extra-Ord expense	0	-7	0	-9	0	0	7	0	-17	7	0	
<b>PBT</b>	<b>18</b>	<b>30</b>	<b>26</b>	<b>50</b>	<b>36</b>	<b>43</b>	<b>37</b>	<b>50</b>	<b>125</b>	<b>166</b>	<b>49</b>	2.0
Tax	8	10	10	13	11	13	11	8	42	43	12	-35.1
Rate (%)	47.0	34.0	37.5	26.2	31.3	30.2	29.2	15.7	33.5	25.8	24.7	
MI & P/L of Asso. Cos.	7	9	8	17	9	8	10	12	41	39	17	
<b>Reported PAT</b>	<b>3</b>	<b>11</b>	<b>8</b>	<b>20</b>	<b>16</b>	<b>21</b>	<b>16</b>	<b>30</b>	<b>43</b>	<b>83</b>	<b>20</b>	47.5
<b>Adj PAT</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>19</b>	<b>15</b>	<b>21</b>	<b>20</b>	<b>26</b>	<b>35</b>	<b>82</b>	<b>20</b>	27.2
YoY Change (%)	-161.1	-179.8	-370.7	477.4	469.4	245.7	147.0	39.4	-405.0	131.2	9.5	

E: MOFSL Estimates

**Key positives**

- **Growth softens (in line) in India business:** India Mobile EBITDA growth continued to decelerate, with merely 1% QoQ growth v/s ~7% in the last 12 quarters, as subs/ARPU growth remained weak given 1) limited market share gain, 2) no tariff hikes, and 3) moderate 2G to 4G ARPU gains.
- **Africa EBITDA growth was flat QoQ** on flat subs/ARPU growth.
- **Home business is the silver lining** with 6%/7% QoQ growth in revenue/EBITDA. It has maintained steady growth for the last 12 quarters and has expanded in 1,200 cities v/s merely 100 cities in FY20, with 2.5x growth in subscribers in the last three years.
- **Falling FCF slows pace of deleverage:** FCF at INR7.9b declined from the peak of INR47b in 4QFY22, despite a 27% YoY jump in EBITDA. The decline in FCF was attributed to the ongoing 5G-related increase in capex, which almost doubled to INR114b in 4QFY23. Subsequently, deleveraging has slowed (debt down by INR22b QoQ, merely 1%) and could further worsen. This could be further reduced by 10% through INR160b right issue call money.

- **Superior network capability:** Bharti's data traffic and subscribers are yet 50% below RJio. Yet, it continues to add broadband/overall sites aggressively at 26k/12k, along with accelerated fiberization.

### Mobile India EBITDA up 5% QoQ (in line) on SUC benefit and ARPU/subs growth

- Revenue grew 1% QoQ to INR195.5b (in line) due to flat ARPU at INR193 and 1% subscriber growth to 335m.
  - 4G subs adds remained moderate at 7.4m. Total 4G subs stood at 233m (3.3% QoQ), i.e., 69% of total subscribers.
  - RJio revenue grew by 1.7% QoQ. It added 6m subscribers, whereas Bharti added 3m subscribers.
- EBITDA increased by 5% QoQ to INR105.2b (in line), with flat margin at 53.8%.
- Data traffic grew 2.9% QoQ to 14.2t GB (20.8GB/user). Bharti's data usage/subs are 10% below RJio and data subscribers far below at >50% of RJio.
- Churn declined to 2.8% from 3% in 3QFY23 (RJio churn at 2%).
- MOU increased by 4% QoQ to 1124 mins, while RJio voice consumption is at 1,001 mins.

### Africa continues to deliver strong numbers

- Africa revenue declined 1% QoQ to INR110.3b, while EBITDA was flat QoQ at INR54.2b (reported currency).
- Subs/ARPU saw 1%/flat QoQ growth.

### Home business continues to increase reach

- Home business saw 6%/7% QoQ growth in revenue/EBITDA. Subscriber growth was healthy at 7% QoQ, but ARPU declined 2% QoQ to INR614 in 4Q (v/s INR800 in FY20) amid increased off-take of lower price plans.
  - It has increased the reach to ~1,200 cities (80 cities added in the quarter) v/s hardly 100+ cities in FY20.
- Enterprise revenue was flat at INR47.8b, while EBITDA grew 3% QoQ to INR19.7b. Against this, TCOM saw 1% revenue growth and 4% EBITDA decline.
- Digital EBITDA was down 1% QoQ at INR4.1b.

### High capex leads to decrease in FCF

- Capex increased by 23% QoQ to INR114b (INR342b/INR256b in FY23/FY22), significantly above expectations.
- OCF fell 3% QoQ to INR122b, led by soft earnings growth and increased tax and interest. Higher capex pulled down FCF to merely INR7.9b v/s INR33.4b QoQ. Both India and Africa have seen a rise in capex.
  - **For the last four quarters, FCF has continued to decline from the peak of INR47b in 4QFY22 to INR7.9b in 4QFY23.**
- Net debt (excl lease liability) declined by INR22b to INR1526b.
  - Lease liability increased from INR549b to INR 604b. Subsequently, overall net debt increased to INR2,131b, with an annualized net debt-to-EBITDA ratio at 2.8x.
  - Bharti has yet to receive INR160b (right issue call money), which could reduce net debt by about 7%.

**Airtel Africa valuation remains compelling, can add to Bharti SoTP:**

Airtel Africa is trading at 3.4x EV/EBITDA on FY23 and 2.6x on FY25E. Further, if we exclude the ~11% stake sold in the Mobile Money business to MasterCard and TPG Group at a 12x valuation, the remaining Airtel Africa business (over ~17% growth annually) is valued at 2.7x on FY23 and 2x on FY25E. Airtel Africa has consistently delivered strong earnings growth for the last 3-4 years, with a ~16% CAGR over FY19-23. A strong balance sheet with low leverage and healthy FCF further adds to the strong capabilities. On a 5x multiple, it could be 9% upside for Bharti. Our SOTP-based TP for Bharti is INR950, including INR112/share value for Airtel Africa at 5x EV/EBITDA on FY25E.

**Exhibit 1: SoTP-based valuation on a FY25E basis**

	EBITDA (INR b)	Ownership	Proportionate EBITDA (INR b)	EV/ EBITDA	Fair Value (INR b)	Value/ Share
India SA business (excl. towers)	637	100%	637	10	6,466	1140
Tower business (20% discount to fair value)		48.0%			166	29
Africa business	255	55.2%	141	5	633	112
Less net debt					1875	331
<b>Total Value</b>					<b>5,390</b>	<b>950</b>
Shares o/s (b)	5.7					
CMP						<b>793</b>
<b>Upside (%)</b>						<b>20</b>

Source: Company, MOFSL

**Highlights from the management commentary****Key highlights**

- Revenue grew by 1% QoQ despite two fewer days in Feb'23 (after adjusting it, ARPU stood at INR195).
- Bharti focuses on the densification of top 150 urban cities, which account for 40%/75%/90% of overall/broadband/B2B markets. It is also expanding in rural markets, which have become prospective 4G markets.
- Capex in FY24 could be at the FY23 level, while it could come down in FY25 as the 4G rollout completes and 5G wireless capex peaks out.
- It has re-launched its 'war-on-waste' program with a focus on reducing network costs and sales costs and stopping capacity investment in 4G where it is witnessing traffic offload from 5G.

**Detailed notes****5G NSA v/s SA**

- 5G non-standalone (NSA): provides better coverage, lower capex, lower carbon footprint, and better experience compared with standalone.
- 5G standalone is ready for the enterprise business.
- Currently, the 5G rollout has been completed in 3,500 cities and towns in India. Bharti is adding almost 35 to 40 cities each day.
- It expects to complete the urban rollout by this year.

### Operating performance

- Revenue grew by 1% QoQ and ARPU stood at INR193 despite two fewer days in Feb'23 (after adjusting it, ARPU could be INR195). Growth in ARPU was led by smartphone upgrades, data monetization and increased tariff for the entry plan.
- Continued efforts on 'war on waste' led to controlled network costs for India (up 7.5% YoY), despite serious cost headwinds in terms of energy/ rollouts.
- The increase in SG&A costs was due to higher marketing expenses amid heightened competition.
- Bharti is concerned about lower ROCE, hence expects an increase in ARPU.
- It focuses more on rural areas and top 150 urban cities in terms of network expansion since those areas account for 75% of the broadband market, 90% of the B2B market and 40% of the overall telecom market.

### Other business

- For Airtel business , growth slowed down due to avoidance of low-margin deals. However, growth in funnel book could result in better growth in the next few quarters.
- For Airtel Payment Bank, monthly transaction user grew 14.5% QoQ and deposits grew 58%.
- Bharti's IoT market share is now close to 53%. New businesses, such as cloud and IoT, are now growing at a pace of over 50%.

### Postpaid ARPU

- Bharti is using 5G as a pivot to accelerate postpaid and has launched INR599 family plan. The postpaid ARPU change is broadly around the same as prepaid ARPU.
- About 32% of postpaid users are already on the 5G network.

### Relaunched 'war on waste' program

- There are four focused areas –
- 1) Network costs: Bharti has identified 66,500 sites for specific actions related to energy, rental and restructuring.
- 2) Sales costs: The company is taking actions to lower its reliance on inefficient channels that either have a high cost for gross additions or high early churn.
- 3) Capex: It has stopped all capacity investments in 4G since witnessing traffic offload of up to 30% in a site where 5G has been launched.
- 4) It is witnessing a warrant failure and interactions, which will also lower costs.

### Capex

- Capex in FY24 could be at the FY23 level, while it could come down in FY25 as the 4G rollout completes and 5G wireless capex peaks out.
- The 4G rollout will be broadly completed by FY24. Few parts would be left for FY25.
- Wired capex could come down since it will cover major urban areas by FY24.
- The company added almost 37,500 sites in a year and about 33,650km of fiber. It is leveraging FTTH to wire up towers.

**Exhibit 2: Segmental business performance (INR m)**

	4QY22	3QFY23	4QFY23	YoY%	QoQ%	4QFY23E	v/s Est (%)
<b>Revenue</b>							
Mobile India	1,76,168	1,93,527	1,95,493	11.0	1.0	1,99,642	-2.1
Home	8,762	10,343	10,966	25.2	6.0	10,856	1.0
Enterprise	41,798	47,779	47,850	14.5	0.1	48,735	-1.8
Digital TV	7,552	7,390	7,290	-3.5	-1.4	7,506	-2.9
South Asia	984	777	806	-18.1	3.7	793	1.7
Africa	91,871	1,10,876	1,10,315	20.1	-0.5	1,14,034	-3.3
Eliminations	-12,227	-12,648	-12,630	3.3	-0.1	-13,989	-9.7
<b>Consolidated Revenue</b>	<b>3,15,003</b>	<b>3,58,044</b>	<b>3,60,090</b>	<b>14.3</b>	<b>0.6</b>	<b>3,67,575</b>	<b>-2.0</b>
<b>EBITDA</b>							
Mobile India	89,215	1,04,121	1,05,227	17.9	1.1	1,07,696	-2.3
Home	4,774	5,173	5,526	15.8	6.8	5,429	1.8
Enterprise	16,451	19,050	19,680	19.6	3.3	19,431	1.3
Digital TV	4,952	4,132	4,081	-17.6	-1.2	4,197	-2.8
South Asia	-176	-131	-138	-21.6	5.3	-130	6.0
Africa	41,868	54,268	54,241	29.6	-0.1	55,728	-2.7
Eliminations	-522	-2,081	-1,646	215.2	-20.9	-2,145	-23.3
<b>Consolidated EBITDA</b>	<b>1,60,403</b>	<b>1,84,532</b>	<b>1,86,971</b>	<b>16.6</b>	<b>1.3</b>	<b>1,90,206</b>	<b>-1.7</b>
<b>EBITDA margin (%)</b>							
Mobile India	50.6	53.8	53.8	318bps	2bps	53.9	-12bps
Home	54.5	50.0	50.4	-409bps	38bps	50.0	38bps
Enterprise	39.4	39.9	41.1	177bps	126bps	39.9	126bps
Digital TV	65.6	55.9	56.0	-959bps	7bps	55.9	7bps
Mobile South Asia	-17.9	-16.9	-17.1	76bps	-26bps	-16.4	-69bps
Africa	45.6	48.9	49.2	360bps	22bps	48.9	30bps
<b>Consolidated EBITDA margin</b>	<b>50.9</b>	<b>51.5</b>	<b>51.9</b>	<b>100bps</b>	<b>38bps</b>	<b>51.7</b>	<b>18bps</b>
Depreciation and amortization	85,826	92,977	94,059	9.6	1.2	96,020	-2.0
Operating income	74,577	91,555	92,912	24.6	1.5	94,186	-1.4
Other income and share of JV/Associate	7,322	-1,108	8,859	21.0	-899.5	1,782	397.3
Net finance cost	40,593	46,856	51,631	27.2	10.2	46,788	10.4
<b>Proforma Profit Before Taxes</b>	<b>41,306</b>	<b>43,591</b>	<b>50,140</b>	<b>21.4</b>	<b>15.0</b>	<b>49,180</b>	<b>2.0</b>
Exceptional Items	-9,062	6,698	0	NM	NM	0	NM
Proforma Tax	13,218	10,756	7,880	-40.4	-26.7	12,135	-35.1
<b>Effective Tax Rate (%)</b>	<b>32.0</b>	<b>24.7</b>	<b>15.7</b>	<b>NM</b>	<b>-895.9</b>	<b>24.7</b>	<b>-36.3</b>
<b>Proforma Profit After Tax</b>	<b>37,150</b>	<b>26,137</b>	<b>42,260</b>	<b>13.8</b>	<b>61.7</b>	<b>37,045</b>	<b>14.1</b>
Proforma Minority Interest	17,072	10,255	12,204	-28.5	19.0	16,670	-26.8
<b>Net Profit post Minority</b>	<b>20,078</b>	<b>15,882</b>	<b>30,056</b>	<b>49.7</b>	<b>89.2</b>	<b>20,375</b>	<b>47.5</b>
<b>Adj. Net Profit post Minority</b>	<b>18,603</b>	<b>19,938</b>	<b>25,923</b>	<b>39.4</b>	<b>30.0</b>	<b>20,375</b>	<b>27.2</b>

**Exhibit 3: India Mobile operating matrix**

India - Wireless KPIs	Q4FY22	Q3FY23	Q4FY23	YoY%	QoQ%	Q4FY23E	v/s Est (%)
Wireless traffic (b min)	1051	1082	1124	7.0	3.9	1107	1.6
Total subscribers (m)	326	332	335	2.9	1.0	335.6	0.0
Data subscribers (m)	208	225	233	11.6	3.3	230.9	0.8
4G subscribers	200.8	216.7	224.1	11.6	3.4		
ARPU (INR)	178	193	193	8.4	0.0	197	-2.0
MOU (min)	1081	1094	1122	3.8	2.6	1105	1.5
Data Traffic (b MB)	11,849	13,853	14,248	20.2	2.9	14,364	-0.8
Data usage/sub (MB)	19,228	20,779	20,762	8.0	-0.1	20,990	-1.1
Monthly churn (%)	2.8	3.0	2.8	0bps	-20bps	3.0	-20bps

Source: MOFSL, Company

**Exhibit 4: Revisions to our estimates**

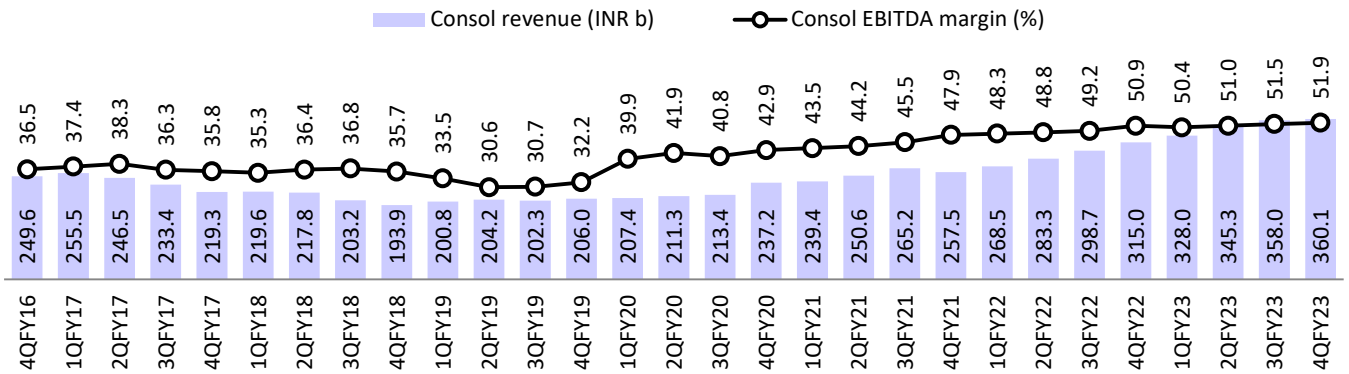
Summary of estimate change	FY24E	FY25E
<b>Revenue consolidated (INR b)</b>		
Old	1567	1718
New	1531	1683
Change (%)	-2.3	-2.1
<b>EBITDA consolidated (INR b)</b>		
Old	817	916
New	797	892
Change (%)	-2.4	-2.7
<b>EBITDA margin consolidated (%)</b>		
Old	52.1	53.3
New	52.1	53.0
Change (bp)	-6	-33
<b>India Mobile Revenue (INR b)</b>		
Old	855	942
New	837	925
Change (%)	-2.1	-1.7
<b>India Mobile EBITDA (INR b)</b>		
Old	465	527
New	454	511
Change (%)	-2	-3
<b>India Mobile EBITDA margin (%)</b>		
Old	54.4	56.0
New	54.3	55.2
Change (bp)	-16	-75

Source: Company, MOFSL



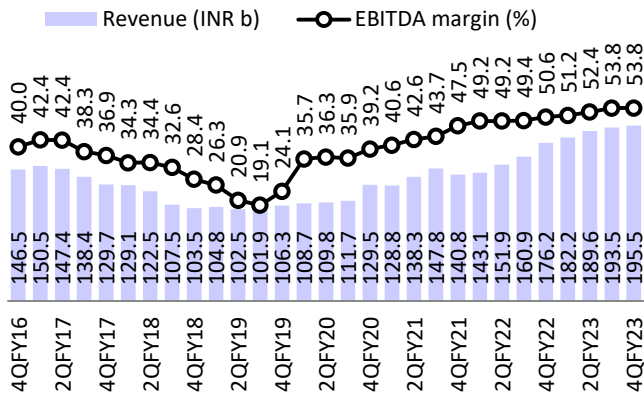
## Story in charts

**Exhibit 5: Consolidated revenue up 1% QoQ; margin improved 40bp**

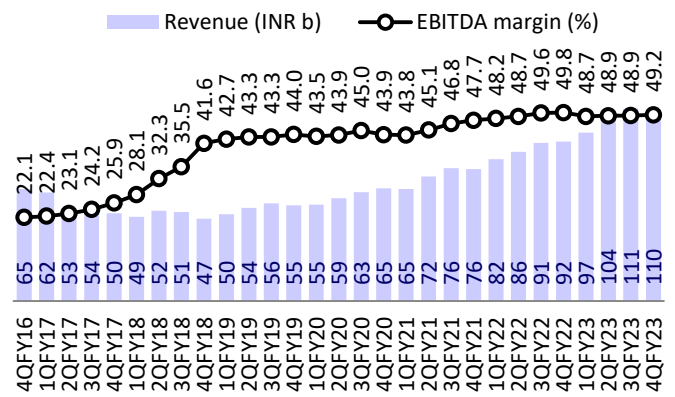


Source: MOFSL, Company

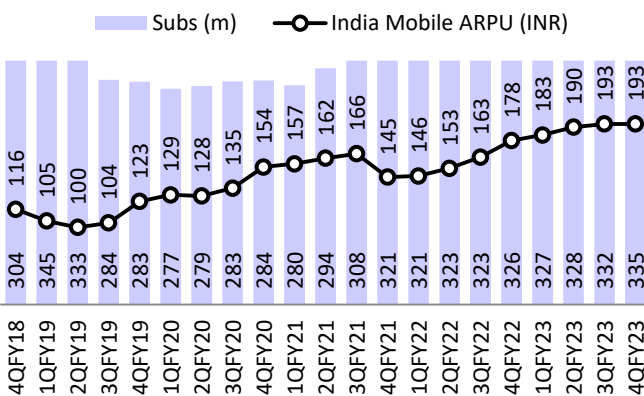
**Exhibit 6: India Mobile revenue up 1% QoQ**



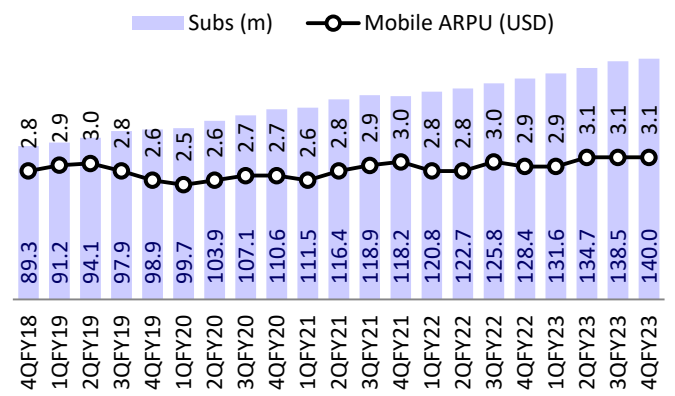
**Exhibit 7: Revenue from Africa flat QoQ**



**Exhibit 8: India Mobile ARPU flat QoQ**

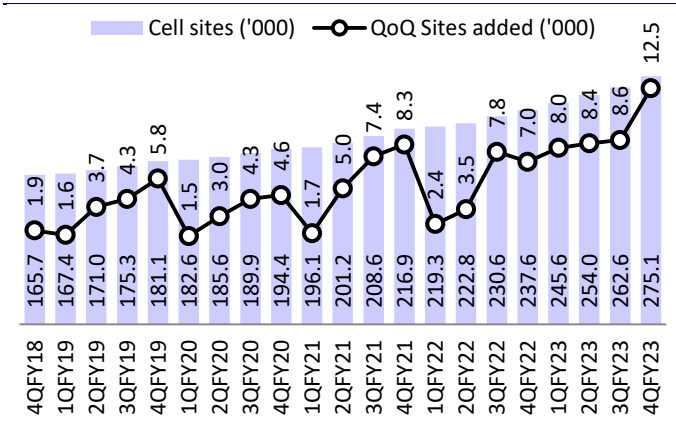


**Exhibit 9: Africa adds 3.1m subscribers QoQ**



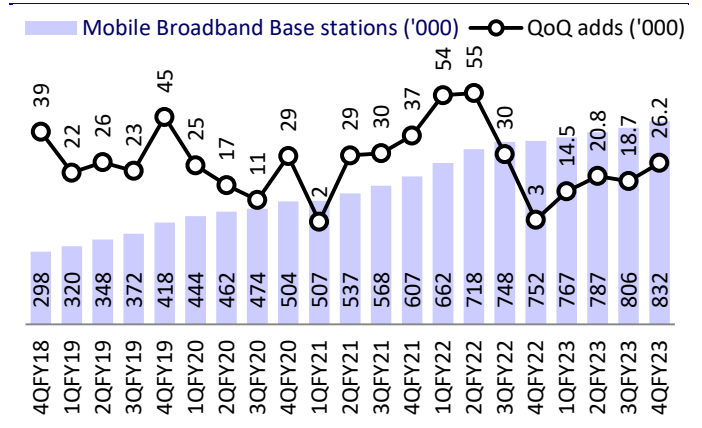


**Exhibit 10: India Mobile total cell site base and quarterly additions**



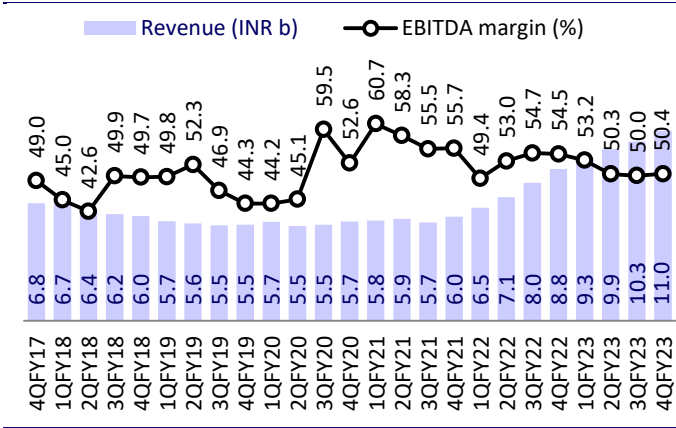
Source: Company, MOFSL

**Exhibit 11: India Mobile broadband base stations and quarterly additions**



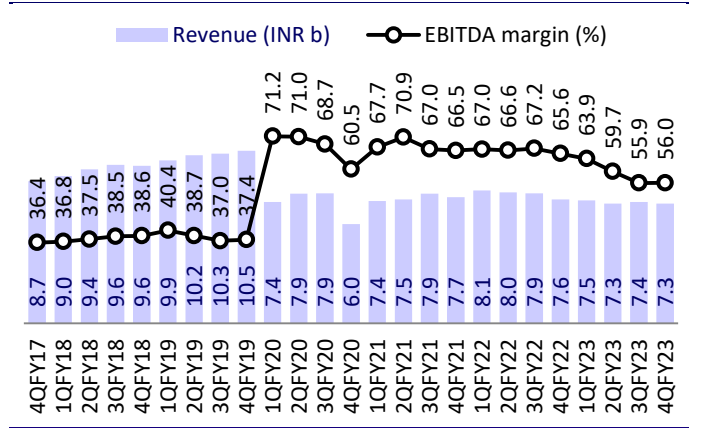
Source: Company, MOFSL

**Exhibit 12: Revenue from the Telemedia business up 6% QoQ**



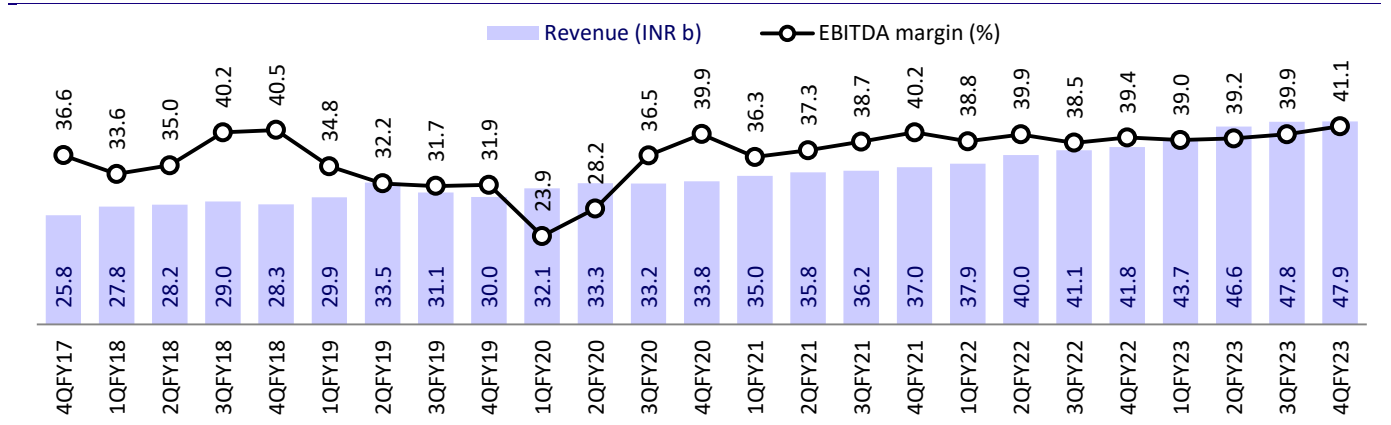
Source: Company, MOFSL

**Exhibit 13: Revenue from the Digital TV business down 1% QoQ**



Source: Company, MOFSL

**Exhibit 14: Revenue from the Enterprise business flat QoQ**



Source: MOFSL, Company

**Exhibit 15: Business mix**

<b>Revenue (INR b)</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24E</b>	<b>FY25E</b>
Mobile	566	463	416	460	556	632	761	837	925
Telemedia	28	25	22	22	23	30	40	49	55
Enterprise	109	113	125	132	144	161	186	201	218
Others (incl South Asia)	49	46	47	34	35	36	32	34	37
Africa	220	191	215	242	289	351	423	469	512
Total revenue	1032	904	892	947	1074	1210	1442	1589	1747
Eliminations and others	78	78	84	72	50	44	51	59	65
<b>Consolidated revenue</b>	<b>955</b>	<b>826</b>	<b>808</b>	<b>875</b>	<b>1024</b>	<b>1165</b>	<b>1391</b>	<b>1531</b>	<b>1683</b>
<b>YoY%</b>	<b>-1</b>	<b>-13</b>	<b>-2</b>	<b>8</b>	<b>17</b>	<b>14</b>	<b>19</b>	<b>10</b>	<b>10</b>
<b>EBITDA (INR b)</b>									
Mobile	227	151	94	170	243	314	402	454	511
Telemedia	13	12	11	11	13	16	21	24	28
Enterprise	34	42	41	43	55	63	74	83	90
Others (incl South Asia)	10	10	13	20	21	20	17	17	18
Africa	51	68	93	107	133	172	207	228	255
Total EBITDA	364	315	285	388	483	585	720	806	902
Eliminations and others	-11	-14	-26	-28	-24	-10	-8	-9	-10
<b>Consolidated EBITDA</b>	<b>353</b>	<b>301</b>	<b>258</b>	<b>360</b>	<b>459</b>	<b>575</b>	<b>713</b>	<b>797</b>	<b>892</b>
<b>YoY%</b>	<b>4</b>	<b>-15</b>	<b>-14</b>	<b>40</b>	<b>27</b>	<b>25</b>	<b>24</b>	<b>12</b>	<b>12</b>
<b>Consolidated EBITDA margin (%)</b>	<b>37.0</b>	<b>36.4</b>	<b>31.9</b>	<b>41.4</b>	<b>45.1</b>	<b>49.4</b>	<b>51.2</b>	<b>52.1</b>	<b>53.0</b>
<b>Capex (INR b)</b>									
<b>Consolidated capex</b>	<b>384</b>	<b>267</b>	<b>305</b>	<b>221</b>	<b>334</b>	<b>424</b>	<b>388</b>	<b>377</b>	<b>394</b>
<b>YoY%</b>	<b>42</b>	<b>-30</b>	<b>14</b>	<b>-28</b>	<b>51</b>	<b>27</b>	<b>-8</b>	<b>-3</b>	<b>4</b>
<b>Capex/Sales (%)</b>	<b>40</b>	<b>32</b>	<b>38</b>	<b>25</b>	<b>33</b>	<b>36</b>	<b>28</b>	<b>25</b>	<b>23</b>

Source: Company, MOFSL

## Financials and valuations

Consolidated - Income Statement								(INR b)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Total Income from Operations</b>	<b>955</b>	<b>826</b>	<b>808</b>	<b>869</b>	<b>1,006</b>	<b>1,165</b>	<b>1,391</b>	<b>1,531</b>	<b>1,683</b>
Change (%)	-1.1	-13.4	-2.2	7.6	15.7	15.8	19.4	10.0	9.9
<b>Total Expenditure</b>	<b>601</b>	<b>526</b>	<b>550</b>	<b>509</b>	<b>552</b>	<b>590</b>	<b>679</b>	<b>734</b>	<b>791</b>
% of Sales	63.0	63.6	68.1	58.6	54.9	50.6	48.8	47.9	47.0
<b>EBITDA</b>	<b>353</b>	<b>301</b>	<b>258</b>	<b>360</b>	<b>454</b>	<b>575</b>	<b>713</b>	<b>797</b>	<b>892</b>
Margin (%)	37.0	36.4	31.9	41.4	45.1	49.4	51.2	52.1	53.0
Depreciation	198	192	213	276	294	331	364	430	467
<b>EBIT</b>	<b>156</b>	<b>108</b>	<b>44</b>	<b>85</b>	<b>160</b>	<b>244</b>	<b>348</b>	<b>367</b>	<b>425</b>
Int. and Finance Charges	77	81	96	135	151	166	193	207	205
Other Income	10	13	5	16	6	30	17	43	60
<b>PBT bef. EO Exp.</b>	<b>89</b>	<b>41</b>	<b>-47</b>	<b>-34</b>	<b>14</b>	<b>108</b>	<b>172</b>	<b>203</b>	<b>279</b>
EO Items	-12	-8	29	-402	-159	17	-7	0	0
<b>PBT after EO Exp.</b>	<b>77</b>	<b>33</b>	<b>-17</b>	<b>-437</b>	<b>-145</b>	<b>125</b>	<b>166</b>	<b>203</b>	<b>279</b>
Total Tax	35	11	-34	-123	89	42	43	50	69
Tax Rate (%)	45.1	33.2	197.4	28.2	-61.7	33.5	25.8	24.8	24.8
Profit from discontinued operations	0.0	0.0	0.0	7.1	110.6	0.0	0.0	0.0	0.0
Minority Interest	4	11	13	15	27	41	39	43	46
<b>Reported PAT</b>	<b>38</b>	<b>11</b>	<b>4</b>	<b>-322</b>	<b>-151</b>	<b>43</b>	<b>83</b>	<b>110</b>	<b>164</b>
<b>Adjusted PAT</b>	<b>44</b>	<b>14</b>	<b>-35</b>	<b>-41</b>	<b>-7</b>	<b>35</b>	<b>76</b>	<b>110</b>	<b>164</b>
Change (%)	-9.5	-68.6	-350.3	16.6	-82.3	-590.2	115.5	44.4	49.2
Margin (%)	4.7	1.7	-4.3	-4.7	-0.7	3.0	5.5	7.2	9.7

Consolidated - Balance Sheet								(INR b)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	20	20	20	27	27	28	28	28	28
Total Reserves	655	675	694	744	562	638	747	1,065	1,229
<b>Net Worth</b>	<b>675</b>	<b>695</b>	<b>714</b>	<b>771</b>	<b>590</b>	<b>666</b>	<b>776</b>	<b>1,094</b>	<b>1,257</b>
Minority Interest	69	88	135	250	223	254	289	332	378
Total Loans	1,073	1,113	1,254	1,176	1,628	1,697	2,260	2,161	2,059
Lease liabilities	0	0	0	306	0	0	0	0	0
Deferred Tax Liabilities	-17	-22	-83	-263	-222	-217	-205	-205	-205
<b>Capital Employed</b>	<b>1,799</b>	<b>1,875</b>	<b>2,021</b>	<b>2,241</b>	<b>2,218</b>	<b>2,399</b>	<b>3,119</b>	<b>3,381</b>	<b>3,489</b>
<b>Net Fixed Assets</b>	<b>1,891</b>	<b>1,589</b>	<b>1,684</b>	<b>1,690</b>	<b>2,292</b>	<b>2,500</b>	<b>3,268</b>	<b>3,215</b>	<b>3,142</b>
Goodwill on Consolidation	0	328	333	346	0	0	0	0	0
Capital WIP	0	52	88	40	0	0	0	0	0
<b>Right of use assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>259</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Investments</b>	<b>182</b>	<b>180</b>	<b>176</b>	<b>278</b>	<b>329</b>	<b>367</b>	<b>392</b>	<b>392</b>	<b>392</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>234</b>	<b>327</b>	<b>382</b>	<b>724</b>	<b>617</b>	<b>552</b>	<b>596</b>	<b>955</b>	<b>1,178</b>
Inventory	0	1	1	2	0	0	3	3	3
Account Receivables	47	59	43	46	36	41	40	52	49
Cash and Bank Balance	13	48	62	136	81	61	72	402	616
Loans and Advances	173	219	276	541	500	450	482	497	510
<b>Curr. Liability &amp; Prov.</b>	<b>507</b>	<b>602</b>	<b>641</b>	<b>1,097</b>	<b>1,020</b>	<b>1,020</b>	<b>1,137</b>	<b>1,181</b>	<b>1,223</b>
Account Payables	497	577	621	621	1,020	1,020	849	893	935
Provisions	10	25	20	476	0	0	288	288	288
<b>Net Current Assets</b>	<b>-273</b>	<b>-275</b>	<b>-259</b>	<b>-373</b>	<b>-403</b>	<b>-468</b>	<b>-541</b>	<b>-227</b>	<b>-45</b>
<b>Appl. of Funds</b>	<b>1,799</b>	<b>1,875</b>	<b>2,021</b>	<b>2,241</b>	<b>2,218</b>	<b>2,399</b>	<b>3,119</b>	<b>3,381</b>	<b>3,489</b>

## Financials and valuations

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>11.1</b>	<b>3.5</b>	<b>-8.7</b>	<b>-7.5</b>	<b>-1.3</b>	<b>6.3</b>	<b>13.6</b>	<b>19.6</b>	<b>29.3</b>
Cash EPS	60.6	51.6	44.7	43.1	52.2	65.5	78.8	96.6	112.8
BV/Share	168.8	173.9	178.7	141.4	107.3	119.1	138.8	195.6	224.9
<b>Valuation (x)</b>									
P/E	71.4	227.1	-90.7	-106.2	-605.1	125.7	58.3	40.4	27.1
Cash P/E	13.1	15.4	17.8	18.4	15.2	12.1	10.1	8.2	7.0
P/BV	4.7	4.6	4.4	5.6	7.4	6.7	5.7	4.1	3.5
EV/Sales	4.4	5.1	5.4	6.5	5.9	5.2	4.8	4.0	3.5
EV/EBITDA	12.0	14.1	16.9	15.7	13.0	10.5	9.3	7.8	6.6
<b>Return Ratios (%)</b>									
RoE	6.6	2.0	-5.0	-5.5	-1.1	5.6	10.5	11.7	13.9
RoCE	5.3	4.6	-2.5	3.7	12.8	8.0	10.0	9.8	11.1
RoIC	5.4	4.5	-2.6	3.5	14.4	8.6	11.2	10.5	12.6
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	0.5	0.5	0.5	0.5	0.4	0.5	0.4	0.5	0.5
Asset Turnover (x)	0.5	0.4	0.4	0.4	0.5	0.5	0.4	0.5	0.5
Debtor (Days)	18	26	19	19	13	13	10	13	11
Creditor (Days)	190	255	281	261	370	320	223	213	203
<b>Leverage Ratio (x)</b>									
Current Ratio	0.5	0.5	0.6	0.7	0.6	0.5	0.5	0.8	1.0
Interest Cover Ratio	2.0	1.3	0.5	0.6	1.1	1.5	1.8	1.8	2.1
Net Debt/Equity	1.4	1.4	1.5	1.5	2.5	2.3	2.7	1.5	1.1

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	77	33	-17	-428	-31	125	166	203	279
Depreciation	198	192	213	277	297	331	364	430	467
Interest & Finance Charges	95	93	110	137	149	165	188	207	205
Direct Taxes Paid	-32	-14	-12	-23	-22	-22	-38	-50	-69
(Inc)/Dec in WC	-27	6	-55	-166	30	-14	-31	23	33
<b>CF from Operations</b>	<b>311</b>	<b>311</b>	<b>239</b>	<b>-203</b>	<b>423</b>	<b>585</b>	<b>649</b>	<b>813</b>	<b>915</b>
Others	-19	-12	-39	384	59	-35	4	0	0
<b>CF from Operating incl EO</b>	<b>292</b>	<b>299</b>	<b>201</b>	<b>181</b>	<b>482</b>	<b>550</b>	<b>653</b>	<b>813</b>	<b>915</b>
(Inc)/Dec in FA	-384	-267	-305	-221	-334	-424	-388	-377	-394
<b>Free Cash Flow</b>	<b>-92</b>	<b>31</b>	<b>-105</b>	<b>-40</b>	<b>148</b>	<b>127</b>	<b>265</b>	<b>436</b>	<b>521</b>
(Pur)/Sale of Investments	-1	-33	1	-88	38	-5	-20	0	0
Others	69	40	19	5	27	10	16	0	0
<b>CF from Investments</b>	<b>-316</b>	<b>-260</b>	<b>-285</b>	<b>-305</b>	<b>-269</b>	<b>-419</b>	<b>-392</b>	<b>-377</b>	<b>-394</b>
Issue of Shares	1	0	99	462	7	10	-5	208	0
Inc/(Dec) in Debt	9	40	106	-180	-118	-19	-113	-99	-102
Interest Paid	-59	-44	-76	-110	-71	132	-67	-207	-205
Dividend Paid	-9	-33	-47	-18	-27	-14	-36	0	0
Others	53	56	13	37	-40	-257	-24	-7	0
<b>CF from Fin. Activity</b>	<b>-4</b>	<b>19</b>	<b>95</b>	<b>191</b>	<b>-249</b>	<b>-148</b>	<b>-245</b>	<b>-105</b>	<b>-307</b>
<b>Inc/Dec of Cash</b>	<b>-28</b>	<b>58</b>	<b>10</b>	<b>68</b>	<b>-36</b>	<b>-17</b>	<b>16</b>	<b>331</b>	<b>214</b>
Opening Balance	18	-10	41	54	131	91	74	90	421
<b>Closing Balance</b>	<b>-10</b>	<b>41</b>	<b>54</b>	<b>131</b>	<b>91</b>	<b>74</b>	<b>90</b>	<b>421</b>	<b>635</b>
<b>Less :- Bank overdraft</b>	<b>-23</b>	<b>-7</b>	<b>-8</b>	<b>-5</b>	<b>10</b>	<b>13</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Net Closing Balance</b>	<b>13</b>	<b>48</b>	<b>62</b>	<b>136</b>	<b>81</b>	<b>61</b>	<b>72</b>	<b>402</b>	<b>616</b>

E: MOFSL Estimates

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

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage 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](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

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

#### Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

#### Analyst Certification

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

#### Terms & Conditions:

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

#### Disclaimer:

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

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

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

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

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

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI:

ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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