September 2026

Initiating Coverage | Sector: Utilities

# Adani Power

## Riding India's thermal power renaissance


**Abhishek Nigam – Research Analyst** (Abhishek.Nigam@MotilalOswal.com)

**Research Analyst: Preksha Daga** (Preksha.Daga@MotilalOswal.com) | **Rishabh Daga** (Rishabh.Daga@MotilalOswal.com)


# Adani Power: Riding India's thermal power renaissance

# Adani Power

| BSE Sensex | S&P CNX |
|---|---|
| 76,570 | 23,914 |

Power

**Stock Info**

| | |
|---|---|
| Bloomberg | ADANI IN |
| Equity Shares (m) | 19285 |
| M.Cap.(INRb)/(USDb) | 4005.4 / 42.2 |
| 52-Week Range (INR) | 254 / 120 |
| 1, 6, 12 Rel. Per (%) | 0/54/73 |
| 12M Avg Val (INR M) | 6985 |
| Free float (%) | 25.0 |

**Financial snapshot (INRb)**

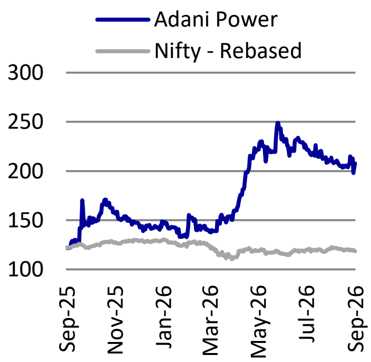
| Y/E March | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 666.4 | 771.4 | 904.5 |
| EBITDA | 222.4 | 278.7 | 353.1 |
| EBITDA margin % | 33.4 | 36.1 | 39.0 |
| Adj. PAT | 130.8 | 136.8 | 165.8 |
| EPS (INR) | 6.8 | 7.1 | 8.6 |
| BV/Sh. (INR) | 40.5 | 47.5 | 56.1 |
| **Ratios** | | | |
| ND/Equity | 0.7 | 0.8 | 0.8 |
| ND/EBITDA | 2.5 | 2.6 | 2.4 |
| RoE (%) | 18.3 | 16.1 | 16.6 |
| RoCE (%) | 11.8 | 11.2 | 11.1 |
| **Valuations** | | | |
| P/E (x) | 30.6 | 29.3 | 24.2 |
| EV/EBITDA (x) | 20.5 | 17.0 | 13.8 |

**Shareholding Pattern (%)**

| As On | Jun-26 | Mar-26 | Jun-25 |
|---|---|---|---|
| Promoter | 75.0 | 75.0 | 75.0 |
| DII | 4.1 | 3.7 | 1.8 |
| FII | 11.8 | 11.7 | 12.5 |
| Others | 9.2 | 9.6 | 10.8 |

FII includes depository receipts

**Stock Performance (one-year)**




**CMP: INR208 TP: INR250 (+20%) Buy**

## Riding India's thermal power renaissance

- We initiate coverage on Adani Power Limited (APL) with a **BUY rating** and TP of INR250/sh. We like APL for 1) ambitious growth plans (capacity up 2.3x to 42GW by FY32), 2) solid execution track record demonstrated by acquisition and turnaround of multiple distressed plants, and 3) optionality from nuclear foray + limited competition in the thermal segment.
- APL, is India's largest private thermal power producer with a capacity of ~18GW in 1QFY27, accounting for 24% of private and 8% of aggregate coal and lignite-based capacity in India. APL sells power under long/medium-term PPAs with DISCOMs (with 95% of its operational capacity tied up) as well as through merchant contracts.

### Thermal upcycle to continue; upside risks to CEA's 86GW estimate

- India's thermal capacity remains substantial and is set to rise by ~86GW over FY26-36. Thermal dependency remains high across key states even as its share in the overall capacity mix declines. ***State-level plans, in fact, point to greater upside than the Center's estimate, with the top five states alone underwriting ~32.6GW of incremental thermal capacity versus ~14.2GW implied by the Center's national plan***.
- Unserved energy projections by FY36 (state estimates) are high across Tamil Nadu (~21%), UP (~21%), and Rajasthan (~17%), underscoring genuine reliability stress. Further, our scenario analysis reinforces this: a 10-30% delay in non-thermal capacity additions over ONLY the FY34-36 period would require an incremental ~6.5-19.5GW of thermal capacity.

### Solar's cost advantage set to narrow; thermal gains ground

- Currently, solar tariff is ~INR 3.3-3.5/kWh cheaper vs thermal. However, we expect solar's tariff advantage over thermal to shrink ~15-20% to below INR3/kWh in the next 3-4 years on the back of 1) withdrawal of ISTS waiver and 2) ALMM-II/III-led cost escalation. Thus, the ***tariff differential that has underpinned solar's decade-long displacement of thermal generation is structurally compressing***, and we believe this convergence shall fundamentally lead to improved competitive positioning of coal-based plants.
- While standalone solar by FY31E may remain cheaper than thermal, it is not a comparable product, as thermal PPAs deliver firm, dispatchable capacity, while solar, even with a battery, remains intermittent. Recently signed FDRE PPAs in India have been at ~INR5-6/kWh. Against this, APL's recent PPA at INR6.075/kWh (effective Dec'30) is no longer materially disadvantaged.

### APL: Uniquely placed to take advantage of the thermal capacity upcycle

- We see APL as the natural winner of India's upcoming thermal capacity build-out and beneficiary of a benign competitive environment. As the Central Electricity Authority (CEA)'s 86GW thermal capacity pipeline expands further, we note that APL faces limited competition as 1) NTPC generally only participates in regulated tariff-linked projects, 2) Tata Power has publicly stated its intent to focus away from thermal and towards renewables, and 3) JSW Energy already has an ambitious pipeline of thermal/RE projects with a target to reach 30GW by 2030.

- Limited competition in various upcoming bids (UP, Gujarat, Rajasthan, Uttarakhand, and Andhra Pradesh) augurs well for project economics and places APL well to ride the next thermal capacity up-cycle.

## Capex at INR2t drives growth: APL's 23,720 MW growth blueprint

- APL is set to more than double the existing operational thermal capacity to ~42GW (100% land secured and BTG ordered for upcoming capacity) with the potential to grow EBITDA to INR800b backed by a capex of ~INR2t.
- APL has also signaled an optionality for further 3GW capacity additions, either organically or inorganically.
- **Nuclear power – an emerging optionality for long-term earnings growth:** APL’s plans to develop nuclear power projects depend on the government finalizing rules to allow private-sector participation. The company has outlined a target of developing 10GW of nuclear capacity by 2035.

## Enviable track record in acquiring and turning around distressed capacity

- Acquiring distressed thermal assets at steep discounts to greenfield replacement cost, mainly via the Corporate Insolvency Resolution Process, has been a repeated capital-efficient growth lever for APL.
- Raigarh (acquired in Jul-19 with negative EBITDA: INR970m) delivered an FY26 EBITDA of INR11b. Similarly, Mahan plant (acquired in Mar’22) nearly tripled EBITDA from the year of acquisition, underscoring capital allocation discipline.
- APL’s acquired capacity comes in at an average cost of ~INR35m/MW, while the upcoming greenfield capacity entails a cost of ~INR100m/MW; this comes in well below NTPC's Sipat greenfield construction cost of around INR122m/MW.

## Growth playbook: Availability-linked tariffs and fuel pass-through

- 56% of APL’s upcoming capacity is already contracted under PPAs with availability-based capacity charges, providing revenue visibility before commissioning.
- Tariff economics have improved meaningfully vs. the legacy portfolio. The fixed capacity charges for the upcoming PPAs range from INR2.9-4.30/kWh (average ~INR 3.9/kWh), vs. the operational PPA’s average capacity charge of INR1.3/kWh, underscoring higher earnings visibility.
- With fuel costs structured as a pass-through and capacity payments delinked from offtake, earnings sensitivity is largely confined to plant availability factor (PAF) performance – an operating risk we view as manageable given management's demonstrated execution track record.

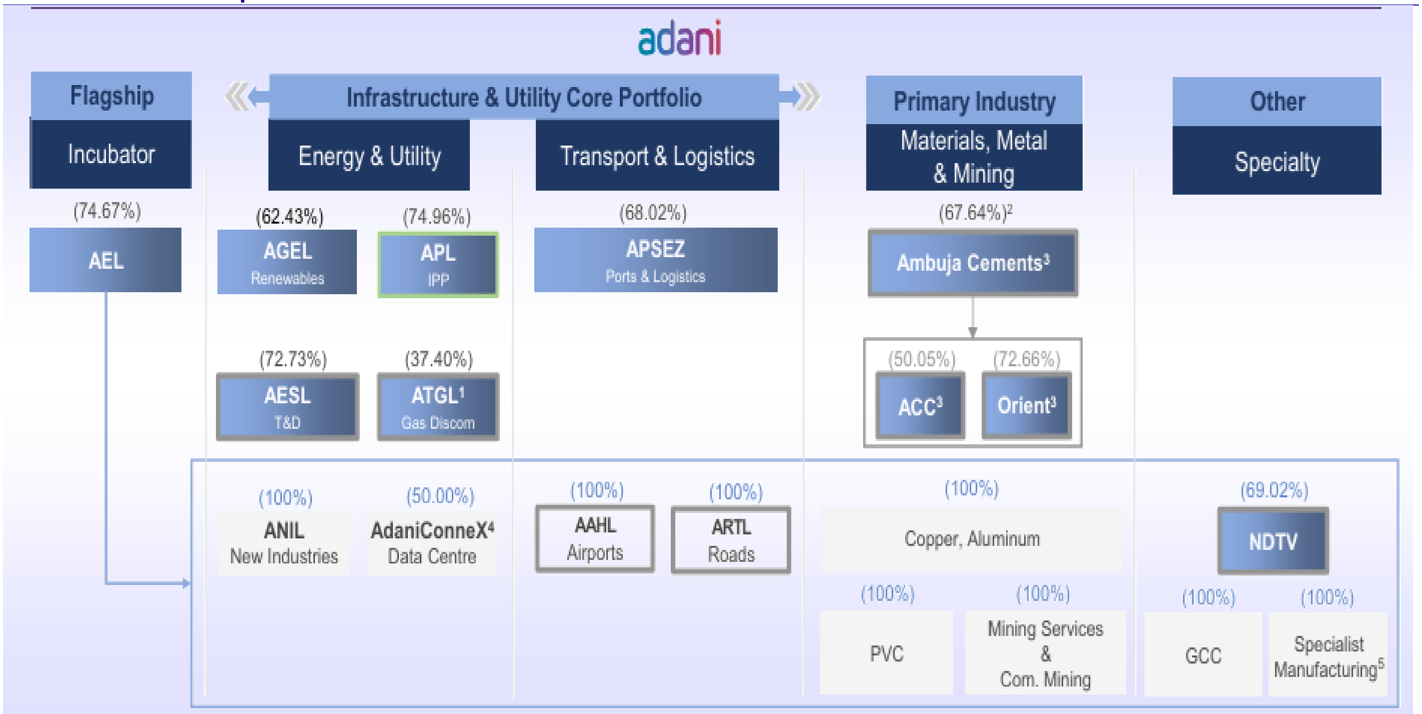
## Valuation and view: Initiate coverage with a BUY rating

- We value APL at 16x FY29E EBITDA,  investments add INR1/share. The sum of these contributions, adjusted for net debt, results in a TP of INR250. APL is currently trading at an FY29E EV/EBITDA of 13.8x. We build an EBITDA CAGR of 21% over FY26-29E, a PAT CAGR of 9% over FY26-29E, and capacity additions of 1.3/1.6/3.2GW in FY27/FY28/FY29.
- APL's substantial valuation premium over peers such as NTPC and JSW Energy is a function of 1) superior capital allocation with an average acquisition cost of INR35m/MW, significantly below the greenfield thermal plant cost of INR120m, 2) strong growth trajectory with EBITDA potential of INR800b post completion of the current capex cycle, and 3) optionality from forays into nuclear.

## Key risks

- **Key risks:** 1) 44% of the upcoming thermal capacity is untied, leaving APL exposed to demand uncertainty; 2) APL remains exposed to competition in the power sector, where the presence of multiple competitors can drive down project return; 3) a slowdown in tendering activity can impact future capacity addition outlook for APL; 4) APL has large capex commitments; delays or cost overruns can hurt its cash flows and returns; and 5) APL must adhere to strict environmental regulations, as failure to manage emissions, water usage, and waste effectively could result in penalties and legal issues.

**Exhibit 1: Adani Group**

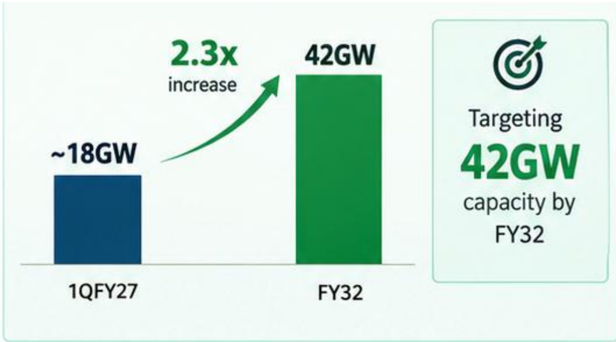



Source: Company, MOFSL

# STORY IN CHARTS

## About Adani Power


## Capactiy growth journey

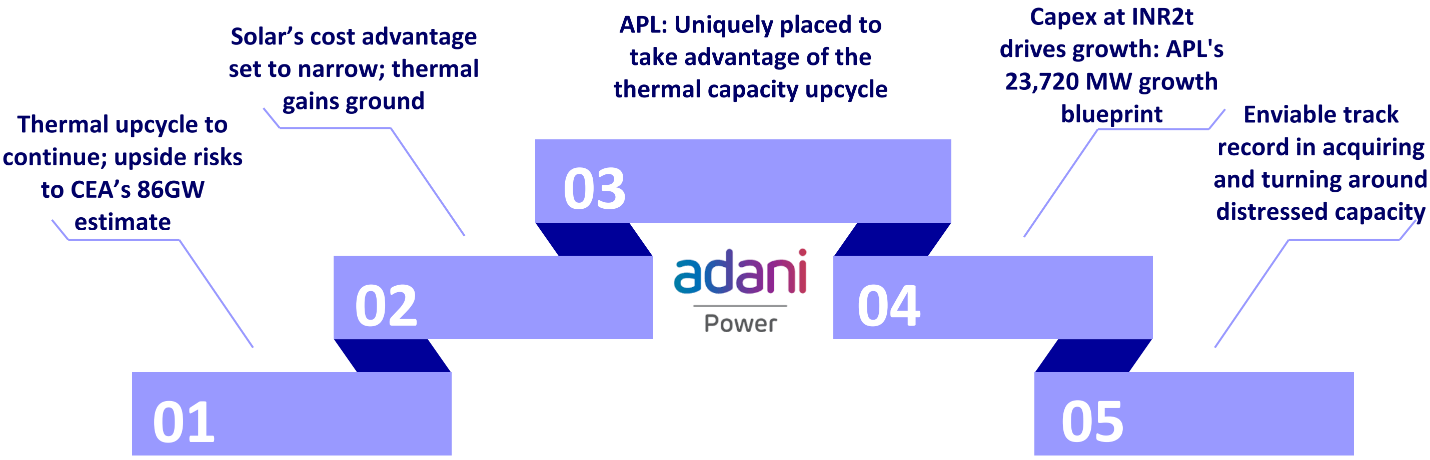



## Quick Overview

**Reliable offtake 95%**
of capacity tied up with long/medium-term PPAs with DISCOMs

**Balanced portfolio**
Thermal core with future optionality in nuclear and other clean energy avenues

## Investment arugment



### India's year-wise and source-wise projected installed capacity requirement (GW)

| Particulars | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 |
|---|---|---|---|---|---|---|---|---|---|---|
| Coal (incl. lignite) | 237 | 239 | 245 | 260 | 276 | 291 | 299 | 303 | 307 | 315 |
| Gas | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Nuclear | 10 | 12 | 12 | 13 | 14 | 16 | 19 | 22 | 22 | 22 |
| Large hydro | 48 | 54 | 55 | 58 | 59 | 61 | 64 | 66 | 75 | 78 |
| PV (Solar) | 176 | 214 | 254 | 285 | 320 | 356 | 395 | 434 | 474 | 509 |
| Wind | 63 | 73 | 83 | 93 | 103 | 113 | 123 | 133 | 144 | 155 |
| Other RE | 17 | 17 | 18 | 18 | 19 | 20 | 20 | 21 | 21 | 22 |
| **Total** | **571** | **629** | **687** | **747** | **811** | **877** | **940** | **999** | **1,063** | **1,121** |
| BESS | 6 | 12 | 17 | 24 | 28 | 37 | 46 | 57 | 68 | 80 |
| PSP | 5 | 7 | 13 | 23 | 32 | 44 | 54 | 64 | 79 | 94 |

Source: CEA, MOFSL

### Scenario analysis: Additional thermal capacity required amid delays in other capacities (in GW)

| Particulars | Coal | Gas | Nuclear | Large Hydro | Solar PV | Wind | Other RE | Total |
|---|---|---|---|---|---|---|---|---|
| India's FY33 projected installed capacity | 299.0 | 20.0 | 19.0 | 64.0 | 395.0 | 123.0 | 20.0 | 940.0 |
| India's FY36 projected installed capacity | 315.0 | 20.0 | 22.0 | 78.0 | 509.0 | 155.0 | 22.0 | 1,121.0 |
| **Additions over FY33-26** | **16.0** | **-** | **3.0** | **14.0** | **114.0** | **32.0** | **2.0** | **181.0** |
| PLF (assumed) | 70% | 20% | 75% | 45% | 24% | 30% | | |
| Scenario 1: 10% delayed capacity | | | 0.3 | 1.4 | 11.4 | 3.2 | | 16.3 |
| Under-production to be met by Thermal | | | 0.2 | 0.6 | 2.7 | 1.0 | | 4.6 |
| **Additional Thermal capacity required** | | | | | | | | **6.5** |
| Scenario 2: 20% delayed capacity | | | 0.6 | 2.8 | 22.8 | 6.4 | | 32.6 |
| Under-production to be met by Thermal | | | 0.5 | 1.3 | 5.5 | 1.9 | | 9.1 |
| **Additional Thermal capacity required** | | | | | | | | **13.0** |
| Scenario 3: 30% delayed capacity | | | 0.9 | 4.2 | 34.2 | 9.6 | | 48.9 |
| Under-production to be met by Thermal | | | 0.7 | 1.9 | 8.2 | 2.9 | | 13.7 |
| **Additional Thermal capacity required** | | | | | | | | **19.5** |

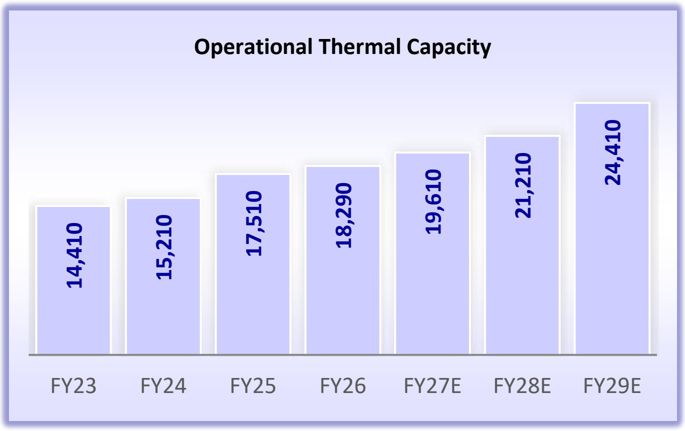
Source: CEA, MOFSL

### Projected coal capacity additions - FY27 to FY36 (in GW) – State vs. CEA estimates

| Particulars | State | CEA |
|---|---|---|
| UP | 10.2 | 6.3 |
| Maharashtra | 5.0 | 1.3 |
| Rajasthan | 4.3 | 3.2 |
| Gujarat | 2.4 | 0.8 |
| Tamil Nadu | 10.7 | 2.6 |
| | **32.6** | **14.2** |

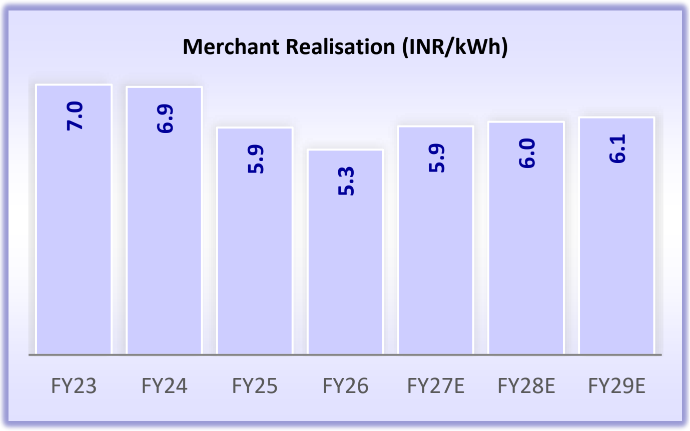
Source: CEA, MOFSL

### APL's operational thermal capacity buildup (MW)



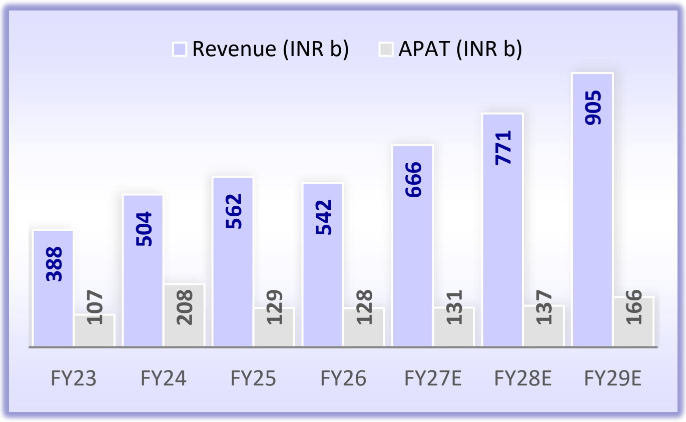

Source: Company, MOFSL

### APL's Merchant realization (INR/kWh)



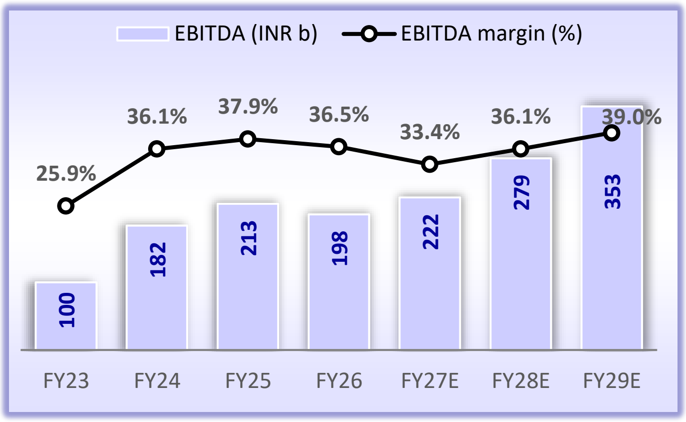

Source: Company, MOFSL

**APL's Revenue and APAT (INR b) over FY23-FY29E**



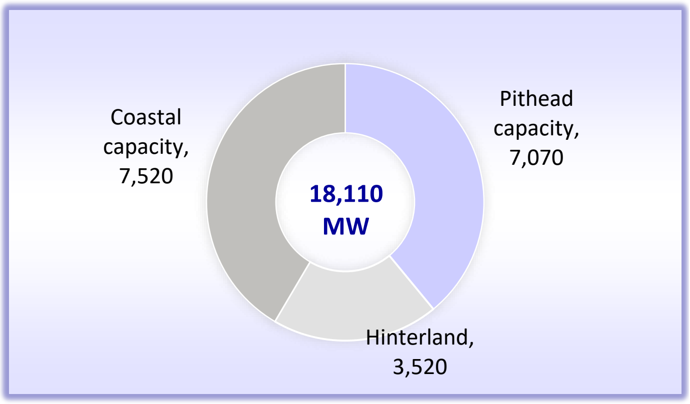

Source: Company, MOFSL

**EBITDA (INR b) and EBITDA margin (%) over FY23-FY29E**



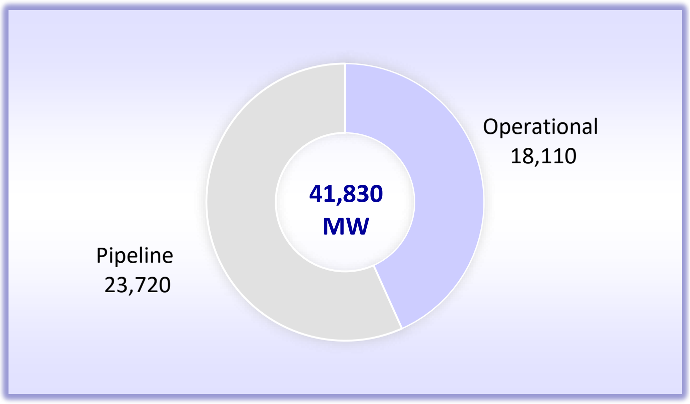

Source: Company, MOFSL

**APL's Operational capacity break-up (MW; end-FY26)**




Source: Company, MOFSL

**APL's Capacity break-up (MW; end-FY26)**



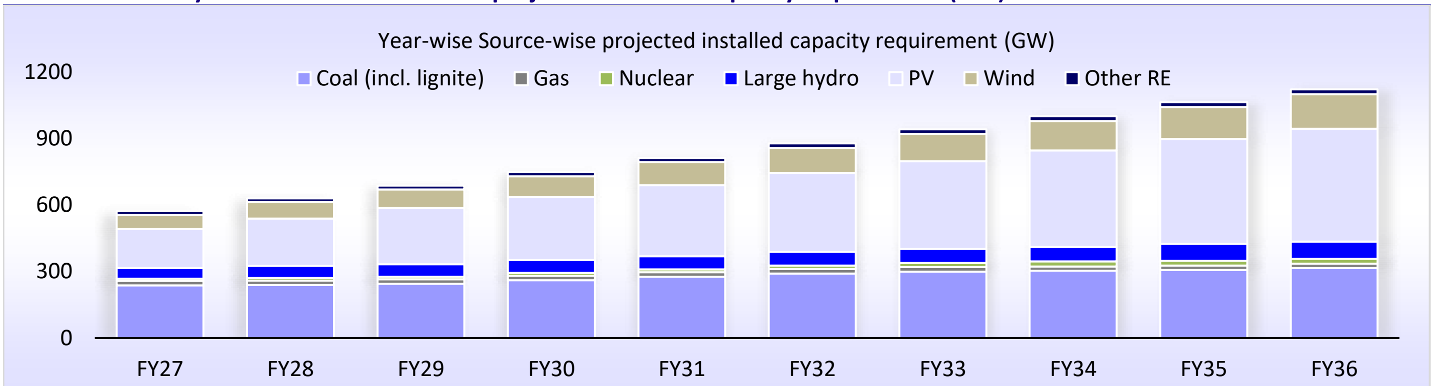

Source: Company, MOFSL

## Thermal power's structural revival to continue

India's thermal capacity is set to rise by ~86GW over FY26-36. However upside to these estimates exists as per projections by State Discoms.

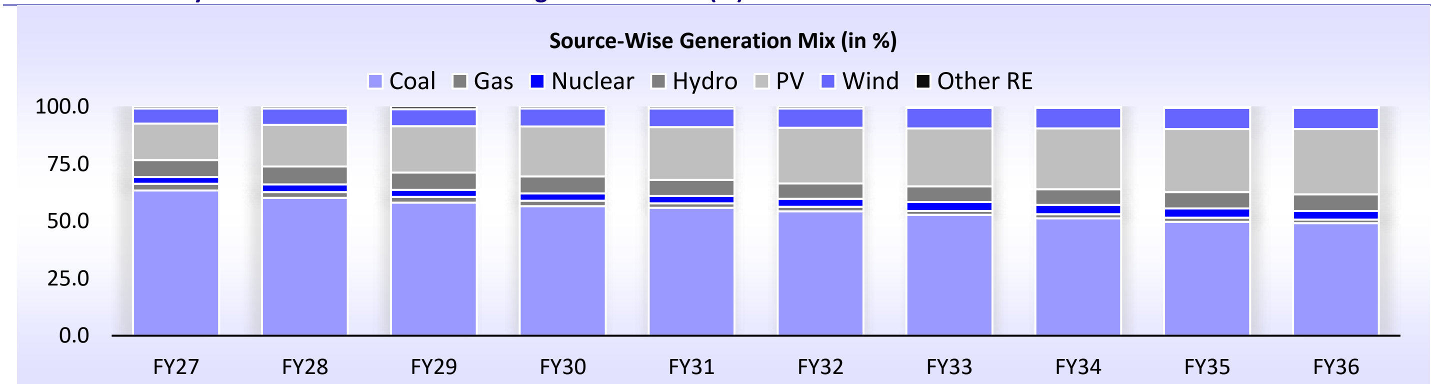
- ***India's thermal capacity remains substantial and is set to rise by ~86GW over FY26-36. Thermal dependency remains high across key states even as its share in the overall capacity mix declines. State-level plans, in fact, point to greater upside than the Center's estimate, with the top five states alone underwriting ~32.6GW of incremental thermal capacity versus ~14.2GW implied by the national plan. Unserved energy projections by FY36 (state estimates) are high across Tamil Nadu (~21%), UP (~21%), and Rajasthan (~17%), underscoring genuine reliability stress. Further, our scenario analysis reinforces this: a 10-30% delay in non-thermal capacity additions over ONLY the FY34-36 period would require an incremental ~6.5-19.5GW of thermal capacity.***
- As per CEA's National Generation Adequacy Plan 2026-27, coal (including lignite) capacity is projected to rise from ~229GW in FY26 to ~315GW in FY36, a net addition of ~86GW (~3.2% CAGR) as a continued expansion, implying that thermal is being retained as the anchor for firm, dispatchable baseload and evening-peak support.
- Thermal capacity (coal and lignite-based) of ~40.9GW is under construction, with contracts for another ~22.4GW awarded and construction (CEA's Long-term National Resource Adequacy Plan). A further ~16.4GW of candidate coal/lignite capacity is in various stages of planning.
- The projected ~86 GW increase in coal capacity requirements through FY36 shall expand the addressable market for new thermal capacity additions and long-term PPAs, benefiting thermal IPPs.

**Exhibit 1: India's year-wise and source-wise projected installed capacity requirement (GW)**




Source: CEA, MOFSL

**Exhibit 2: India's year-wise and source-wise net generation mix (%)**



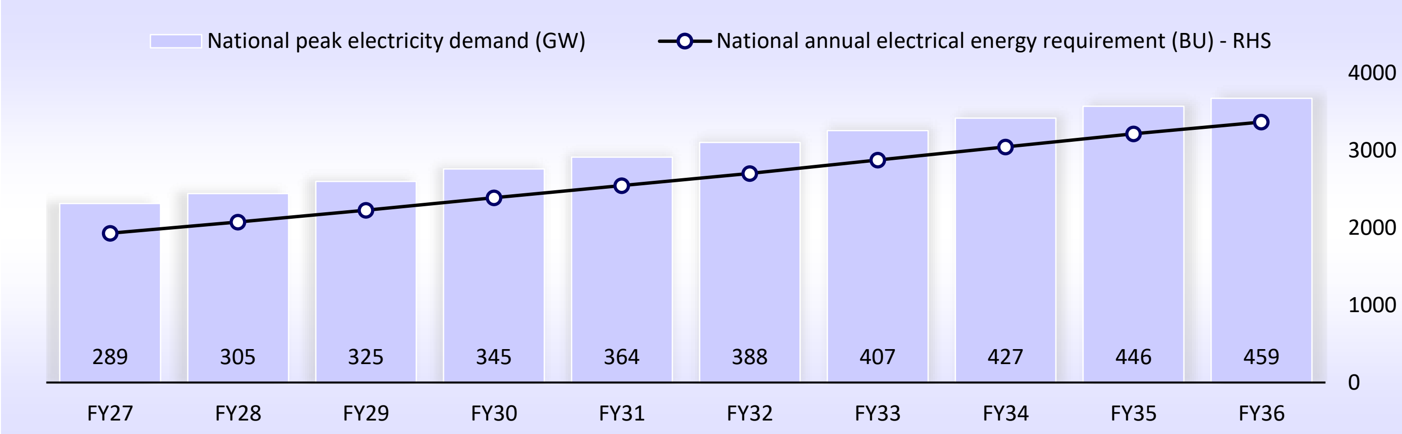

Source: CEA, MOFSL

## Thermal's addressable opportunity expands even as its share shrinks

According to CEA, India's peak electricity demand is projected to clock a 5.6% CAGR to 459GW by FY36

- **Peak energy demand set to grow at ~6% to FY36:** According to CEA, India's peak electricity demand is projected to clock a 5.6% CAGR to 459GW by FY36, with energy demand recording a 6.4% CAGR to 3,365BU over the same period – a near-doubling of the system that renewables and storage cannot meet in isolation. Non-fossil capacity is set to triple to 786GW (solar 509GW, wind 155GW, large hydro 78GW), supported by 80GW/321GWh of battery storage and 94GW/567GWh of pumped storage, but this capacity is inherently intermittent and cannot guarantee round-the-clock firm supply.
- **Rising peak energy demand makes thermal indispensable:** Thermal, therefore, remains the necessary complement to meet this scale of peak and energy demand growth reliably – even as its share of the overall capacity mix falls from ~47% in FY26 to ~30% by FY36, absolute coal capacity still needs to expand to serve a system that is roughly twice its current size. This underpins continued thermal capacity addition, sustained EPC/BTG order inflow, and firm utilization through non-solar hours as the structural backbone supporting India's demand growth.

**Exhibit 3: Year-wise peak electricity demand (GW) and annual energy requirement (BU)**




Source: CEA, MOFSL

**Exhibit 4: India's year-wise and source-wise projected installed capacity requirement (GW)**

| Particulars | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 |
|---|---|---|---|---|---|---|---|---|---|---|
| Coal (incl. lignite) | 237 | 239 | 245 | 260 | 276 | 291 | 299 | 303 | 307 | 315 |
| Gas | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Nuclear | 10 | 12 | 12 | 13 | 14 | 16 | 19 | 22 | 22 | 22 |
| Large hydro | 48 | 54 | 55 | 58 | 59 | 61 | 64 | 66 | 75 | 78 |
| PV | 176 | 214 | 254 | 285 | 320 | 356 | 395 | 434 | 474 | 509 |
| Wind | 63 | 73 | 83 | 93 | 103 | 113 | 123 | 133 | 144 | 155 |
| Other RE | 17 | 17 | 18 | 18 | 19 | 20 | 20 | 21 | 21 | 22 |
| **Total** | **571** | **629** | **687** | **747** | **811** | **877** | **940** | **999** | **1,063** | **1,121** |
| BESS | 6 | 12 | 17 | 24 | 28 | 37 | 46 | 57 | 68 | 80 |
| PSP | 5 | 7 | 13 | 23 | 32 | 44 | 54 | 64 | 79 | 94 |

Source: CEA, MOFSL

## Thermal remains central to state power planning

- **Thermal capacity remains central to power planning even in FY36:** We see a constructive outlook for thermal power across the key states, with UP and Tamil Nadu offering the largest incremental opportunities, followed by Rajasthan and Maharashtra. While renewable and storage capacity is expanding rapidly, the resource adequacy plans indicate that coal capacity and generation will continue to rise in several states, driven by growing electricity demand and shortages during non-solar hours. UP/Tamil Nadu stand out with 10.2GW/10.7GW of additional coal requirements, respectively, while Maharashtra/Rajasthan/Gujarat require ~5GW/4.3GW/2.4GW over FY27-36.

UP/Tamil Nadu stand out with 10.2GW/10.7GW of additional coal requirements, respectively

- **Uttar Pradesh: ~10.2GW coal opportunity; strongest thermal market:** Uttar Pradesh is likely to remain the most thermal-dependent state, with coal capacity increasing from 25.1GW (FY26) to 35.3GW by FY36 (source: CEA Resource Adequacy Plan for UPPCL). UP's demand growth (peak demand CAGR of 6.9%, energy CAGR of 7.1%, reaching ~61GW peak and 2,98BU by 2035-36) is outrunning committed supply substantially. This is in line with on-the-ground developments, with UPPCL recently going to UPERC to procure an additional 1 GW of peak power.
- **Tamil Nadu: ~10.7GW coal opportunity; adequacy remains stretched:** Tamil Nadu faces a significant structural power deficit, with coal capacity expected to nearly double from 12.8GW (FY26) to 23.5GW by FY36. The CEA optimization estimates coal generation to rise from 81.4BU in FY26 to 120.7BU by FY36 (source: CEA Resource Adequacy Plan for Tamil Nadu). With unserved energy reaching 56BU (~21% of demand) by FY36, Tamil Nadu emerges as the second-strongest thermal opportunity.
- **Rajasthan: thermal generation still rises:** Rajasthan's coal capacity is projected to increase from 13.6GW (FY26) to 17.9GW by FY36. Coal generation as per CEA optimization rises from 72.0BU in FY26 to 91.1BU by FY36, while unserved energy reaches 35BU (~17% of demand).
- **Maharashtra: thermal remains key to firm power:** Maharashtra's coal capacity increases from 22.5GW (FY26) to 27.5GW by FY36, while coal generation rises from 113.6BU in FY27 to 142.4BU by FY36, despite the declining share of coal in the overall capacity mix (source: CEA Resource Adequacy Plan for MSEDCL). The plan projects unserved energy to rise to ~26,601MU by FY36, concentrated in non-solar hours.

**Exhibit 5: State-wise thermal (coal + gas) share in generation, FY36**

| State | Thermal share, FY36 |
|---|---|
| Uttar Pradesh | 47% |
| Rajasthan | 39% |
| Maharashtra | 43% |
| Gujarat | 29% |
| Tamil Nadu | 40% |

Source: CEA, MOFSL

## Delayed RE start-up and rising tariffs boost thermal outlook

We expect solar's tariff advantage over thermal to decline 15-20% vs. current levels of over ~Rs3/kWh, in the next 3-4 years

- **RE capacity commissioning has been beset with delays:** Multiple developers such as Tata Power, JSW Energy, NTPC Green and Acme Solar have missed commissioning targets. Land acquisition, right of way, and transmission connectivity-related delays are cited as key reasons for delayed commissioning of renewable capacities. While right of way compensation has increased notably in the last nine months, commissioning by Power Grid will need to sustain the robust momentum witnessed in the last few quarters for India's 500 GW renewable capacity target to be reached by 2030. PPA signing for renewable power in India has also been slow and beset with challenges, with ~40 GW RE PPAs pending (link).

- **RE power's cost advantage vs thermal fading amid localization, as ISTS waivers lapse:** We expect solar's tariff advantage over thermal to decline 15-20% vs. current levels of over ~Rs3/kWh, in the next 3-4 years on the back of 1) withdrawal of ISTS waiver and 2) ALMM-II/III-led cost escalation. Thus, the tariff differential that has underpinned solar's decade-long displacement of thermal generation is structurally compressing, and we believe this convergence shall fundamentally lead to improved competitive positioning of coal-based plants in the long term.
- **In FY31, solar could still be cheaper than thermal but not a comparable product:** While standalone solar at INR4/kWh by FY31E remains cheaper than thermal on a pure energy-cost basis, it is not a comparable product, as thermal PPAs deliver firm, dispatchable capacity, while solar, even with a battery, remains intermittent. Recently signed FDRE PPAs in India have been at ~INR5-6/kWh. Against this, APL's thermal PPA at INR6.075/kWh (effective Dec 2030) is no longer materially disadvantaged.

## Nuclear investment rules still pending even as India plans 22GW capacity

CEA expects nuclear capacity to rise from ~8.2GW to ~22GW by FY36, with ~8GW under construction (targeted for completion by FY32) and ~7GW in planning/approval.

- **Nuclear capacity planned to rise from 8GW to 22 GW:** As per CEA, nuclear capacity is projected to rise from ~8.2GW currently to 22GW over FY26-36. Of this, only ~8GW (link) is currently under construction (Tamil Nadu, Rajasthan, Haryana), targeted for completion by FY32, with a further 7GW in various stages of planning/approval. Assuming a six-year execution timeline, the remaining ~7GW of nuclear capacity would need to reach bid stage in the next 3 years to meet the FY36 target. However, clarity on nuclear investment rules is still awaited from the central government and presents the key challenge to meeting this target.
- **Thermal remains the more competitive baseload option:** While the Union Budget 2025-26 launched the Nuclear Energy Mission targeting 100GW of nuclear capacity by 2047 (from 8.8GW currently), we believe thermal retains a structural cost edge that nuclear will struggle to close. Recent thermal tariffs have been in the INR5.5-6.5/unit range, a level that nuclear is unlikely to match.
- **With 50-60% higher capex/MW, nuclear tariffs unlikely to match thermal:** Capex/MW for thermal stands at INR120m vs. INR180-200m for nuclear, a gap that keeps nuclear tariffs uncompetitive even as policy support builds. SMRs, central to the government's long-term plan, remain unproven with no commercial track record, adding further execution risk to the nuclear ramp-up. With legislative reforms and site approvals still pending, we see thermal continuing to anchor India's baseload capacity over the medium term, even as nuclear's share is targeted to grow.

## State-level plans point to upside versus the central estimate

State estimates for thermal capacity needed in the top 5 states (~33GW) are higher than that forecast by CEA (~14GW).

- **Central estimates might be understating the thermal requirement:** We believe the Centre's Long-Term National Resource Adequacy Plan might be understating the thermal capacity build-out actually being planned at the state level. Aggregating the individual state-wise Resource Adequacy Plans for the top five power-consuming states – Uttar Pradesh, Maharashtra, Rajasthan, Gujarat, and Tamil Nadu – collectively points to ***~32.6GW of incremental thermal capacity addition over FY27-36, a figure that sits meaningfully above 14.2GW which the national plan would imply*** for these states.
- **Bottom-up divergence reinforces our constructive stance on the sector:** State discoms, closer to ground-level demand and reliability stress than the national planning exercise, are underwriting a larger thermal capacity build than the Center's own aggregate suggests – a dynamic that should translate into a bigger, more durable order-book opportunity for thermal EPC/BTG players and IPPs than top-down estimates alone would indicate.

**Exhibit 6: Projected coal capacity additions - FY27 to FY36 (in GW) – State vs. CEA estimates**

| Particulars | State | CEA |
|---|---|---|
| UP | 10.2 | 6.3 |
| Maharashtra | 5.0 | 1.3 |
| Rajasthan | 4.3 | 3.2 |
| Gujarat | 2.4 | 0.8 |
| Tamil Nadu | 10.7 | 2.6 |
| | **32.6** | **14.2** |

Source: CEA, MOFSL

- **Despite higher capacity estimates, state plans point to high unserved energy demand:** State estimates for thermal capacity needed in the top 5 states (~33GW) are higher than that forecast by CEA (~14GW). Despite higher capacity estimates, the states are forecasting 9-21% of unserved energy demand.

**Exhibit 7: State-wise unserved energy as % of annual demand, FY36**

| State | Unserved energy, FY36 | |
|---|---|---|
| | BU's | % |
| Uttar Pradesh | 64.0 | 21% |
| Rajasthan | 35.8 | 17% |
| Maharashtra | 26.6 | 9% |
| Tamil Nadu | 56.3 | 21% |

Source: CEA, MOFSL

### Retirement is unmodeled; positive for existing thermal capacity

- **Only UP has considered plant retirements:** Across the top 5 states, only Uttar Pradesh explicitly builds plant retirement into its Resource Adequacy plan (3.2GW, fully offset by new additions). Maharashtra states outright that no retirement is contemplated. Gujarat and Tamil Nadu only flag expiring third-party PPAs, not retirement of underlying assets.
- **Absence of a retirement curve presents upside risk to thermal:** In effect, 4 of 5 state plans simply hold the aging coal fleet constant through FY36, rather than modeling any retirement curve – even though a meaningful share of India's coal capacity is 25-30+ years old and will need retirement or major renovation within this window regardless. This means official capacity-addition estimates likely understate the true requirement. If existing plants do retire as they age, the system will need either:
  - **More new thermal capacity** to replace what retires, or
  - **Higher PLF** on the remaining fleet to serve the same demand
- Both outcomes are positive for existing thermal capacity holders (Adani Power, NTPC, and other IPPs) – a larger replacement requirement expands the addressable order book, while higher utilization on the existing fleet improves returns without new capex.

## Non-thermal delays can necessitate more thermal capacity

For FY34-36, a 10%/20%/30% delay in CEA's non-thermal capacity additions would require ~6.5/13/19.5GW of additional thermal capacity, respectively.

- **Our scenario analysis implies ~6.5-20GW of additional thermal demand:** We ran a scenario analysis on the FY34-36 capacity additions projected in the CEA plan to test sensitivity to execution delays in non-thermal capacity (solar, wind, large hydro, and storage). Using PLF assumptions of 70% for thermal, 45% for large hydro, 30% for wind, and 24% for solar, we modeled the additional thermal capacity needed to replace the generation shortfall if non-thermal capacity additions in this period slip by 10%, 20%, and 30%. ***A 10% delay would require ~6.5GW of additional thermal capacity to offset the shortfall, a 20% delay ~13GW, and a 30% delay ~19.5GW.***
- **Slippage in 165GW + non-fossil capacity represents upside risk to thermal:** This underscores that thermal's role in the system isn't just a base-case planning assumption; it's the de facto buffer against renewable/storage execution risk, which has historically been a live issue for India's capacity build-out (land acquisition, transmission connectivity, module supply, and financial closure delays are common). Any slippage on the ~165GW+ of non-fossil capacity planned over FY34-FY36 translates directly into upside for thermal capacity requirements, reinforcing the sector's role as the system's reliability backstop.

**Exhibit 8: Scenario analysis: Additional thermal capacity required amid delays in other capacities (in GW)**

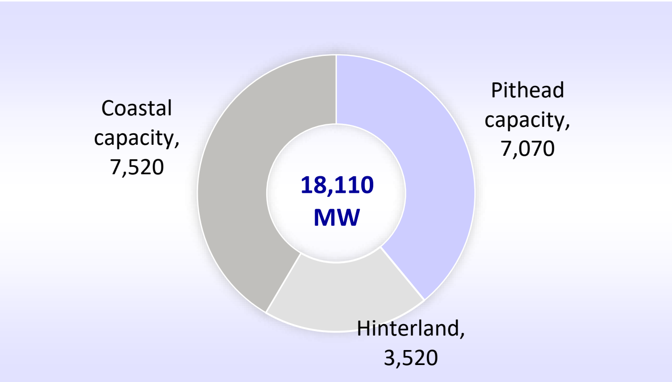
| Particulars | Coal | Gas | Nuclear | Large Hydro | Solar | Wind | Other RE | Total |
|---|---|---|---|---|---|---|---|---|
| FY33 projected installed capacity | 299.0 | 20.0 | 19.0 | 64.0 | 395.0 | 123.0 | 20.0 | **940.0** |
| FY36 projected installed capacity | 315.0 | 20.0 | 22.0 | 78.0 | 509.0 | 155.0 | 22.0 | **1,121.0** |
| **Additions** | **16.0** | **-** | **3.0** | **14.0** | **114.0** | **32.0** | **2.0** | **181.0** |
| PLF (assumed) | 70% | 20% | 75% | 45% | 24% | 30% | | |
| **Scenario 1: 10% capacity delayed** | | | | | | | | **10%** |
| Delayed capacity | | | 0.3 | 1.4 | 11.4 | 3.2 | | **16.3** |
| Under-production to be met by Thermal | | | 0.2 | 0.6 | 2.7 | 1.0 | | **4.6** |
| Additional Thermal capacity required | | | | | | | | **6.5** |
| **Scenario 3: 20% capacity delayed** | | | | | | | | **20%** |
| Delayed capacity | | | 0.6 | 2.8 | 22.8 | 6.4 | | **32.6** |
| Under-production to be met by Thermal | | | 0.5 | 1.3 | 5.5 | 1.9 | | **9.1** |
| Additional Thermal capacity required | | | | | | | | **13.0** |
| **Scenario 3: 30% capacity delayed** | | | | | | | | **30%** |
| Delayed capacity | | | 0.9 | 4.2 | 34.2 | 9.6 | | **48.9** |
| Under-production to be met by Thermal | | | 0.7 | 1.9 | 8.2 | 2.9 | | **13.7** |
| Additional Thermal capacity required | | | | | | | | **19.5** |

Source: CEA, MOFSL

## APL: Large thermal base with strong expansion pipeline

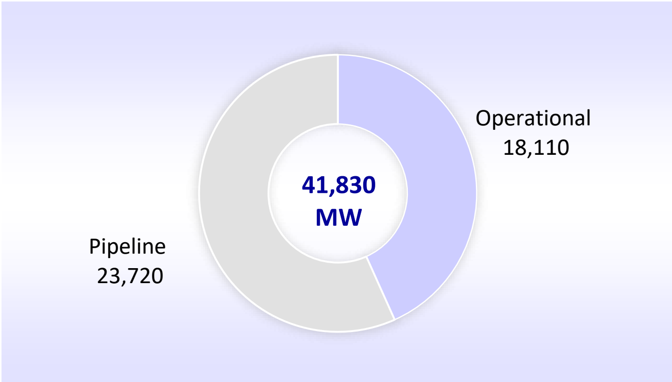
- APL, a part of the diversified Adani Group, is India's largest private thermal power producer. The company has an operational thermal power capacity of 18,110MW (FY26 end) across 13 power plants in Gujarat, Maharashtra, Karnataka, Rajasthan, Chhattisgarh, Uttar Pradesh, Madhya Pradesh, Jharkhand, and Tamil Nadu, along with a 40MW solar power plant in Gujarat.
- Of the 18.3GW operational capacity, 59% has been developed organically, while the remaining capacity has been added through inorganic acquisitions.
- APL has ~24GW of locked-in capacity (entirely through organic additions), of which 56% is tied up under PPAs. The company targets expanding its installed capacity to 42GW by FY32, providing strong long-term growth visibility.

**Exhibit 9: APL's Operational capacity break-up (MW; end-FY26)**




Source: Company, MOFSL

**Exhibit 10: APL's Capacity break-up (MW; end-FY26)**




Source: Company, MOFSL

**Exhibit 11: APL's operational capacity details (FY26)**

| Plant | Capacity (MW) | PPA tie-up % | PPA tie-up (net MW) | PPA tie-up (gross MW) | PPA counterparty | PPA expiry date | Contracted term (Years) |
|---|---|---|---|---|---|---|---|
| Tiroda | 3,300 | 100% | 1,320 | 3,300 | Maharashtra Discom | 13-Jun-38 | 25 |
| | | | 1,200 | | | 31-Mar-39 | 25 |
| | | | 125 | | | 08-Aug-39 | 25 |
| | | | 440 | | | 15-Feb-42 | 25 |
| Kawai | 1,320 | 96% | 1,203 | 1,273 | Rajasthan Discoms | 31-May-38 | 25 |
| Udupi | 1,200 | 91% | 1,010 | 1,080 | Karnataka Discoms | 18-Aug-37 | 27 |
| | | | 10 | 11 | MPSEZ Utilities Limited | 31-Mar-41 | 25 |
| Mundra | 4,620 | 95% | 1,000 | 1,320 | Gujarat Discoms (GUVNL) | 19-Dec-35 | 25 |
| | | | 200 | | | | 17 |
| | | | 1,000 | 1,320 | | 01-Feb-37 | 15 |
| | | | 234 | | | | 15 |
| | | | 1,200 | 1,320 | Haryana Discoms | 06-Feb-38 | 25 |
| | | | 40 | 43 | MPSEZ Utilities Limited | 31-Mar-41 | 25 |
| | | | 360 | 391 | | 30-Jun-38 | 13 |
| Raigarh Phase-I | 600 | 89% | 28 | 30 | Chhattisgarh Discom | Till plant life | - |
| | | | 125 | 132 | Assam DISCOM | 01-Oct-50 | 25 |
| | | | 350 | 370 | PTSL- Uttarakhand Discom | 12-Jan-30 | 4 |
| Raipur Phase-I | 1,370 | 100% | 62 | 69 | Chhattisgarh Discom | Till plant life | - |
| | | | 571 | 625 | Karnataka Discoms | 01-Apr-51 | 25 |
| | | | 613 | 677 | MPSEZ Utilities Limited | 15 years from start of PPA | - |
| Mahan Phase-I | 1,200 | 76% | 300 | 321 | MPSEZ Utilities Limited | | - |
| | | | 56 | 60 | MP Discom | Till plant life | - |
| | | | 500 | 535 | Reliance Industries Limited | 09-Oct-44 | 20 |

| Plant | Capacity (MW) | PPA tie-up % | PPA tie-up (net MW) | PPA tie-up (gross MW) | PPA counterparty | PPA expiry date | Contracted term (Years) |
|---|---|---|---|---|---|---|---|
| Godda | 1,600 | 100% | 1496 | 1600 | Bangladesh Power Development Board | 25-Jun-48 | 25 |
| Mutiara | 1,200 | 100% | 558 | 600 | Tamil Nadu Discom | 30-Sep-28 | 14 |
| | | | 558 | 600 | | 31-Mar-31 | 5 |
| Korba (Erst. Lanco) | 600 | 100% | 14 | 15 | Chhattisgarh Discom | Till plant life | |
| | | | 273 | 300 | PTC - MP Discom | 02-Dec-37 | 25 |
| | | | 261 | 285 | PTC - Haryana Discoms | 06-May-36 | 25 |
| Dahanu | 500 | 100% | 452 | 500 | Adani Electricity Mumbai Limited | 31-Mar-30 | |
| Butibori | 600 | 100% | 543 | 600 | MSEDCL (5 year PPA) | 31-Oct-30 | 6 |
| Solar Bitta | 40 | 100% | 40 | 40 | Gujarat Discoms | 26-Dec-36 | 25 |
| Churk | 180 | | | | | | |
| **Total** | **18,330** | **95%** | **16,141** | **17,417** | | | |

Source: Company, MOFSL

## Capex at INR2t: APL's 23,720MW growth blueprint

APL's upcoming capacity-expansion portfolio spans 23,720MW, backed by a capex outlay of ~INR2t (~INR100m/MW)

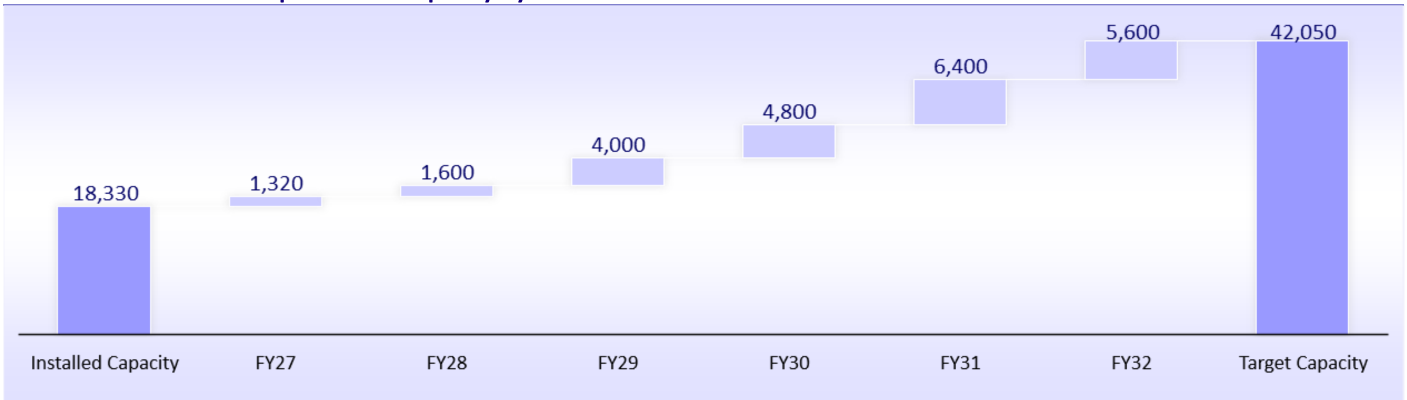
- APL is executing India's largest private capex program to more than double the existing operational capacity.
- APL's upcoming capacity-expansion portfolio spans 23,720MW, backed by a capex outlay of ~INR2t (translating to an investment of ~INR100m/MW).
- The portfolio is substantially de-risked on the execution front, with 100% of the required land already secured and 100% of Boiler-Turbine-Generator (BTG) equipment sets already ordered across both brownfield and greenfield sites.
- Around 60% of this upcoming capacity is being developed on a brownfield model. This allows faster execution since there is no delay on account of land acquisition, and clearances and permissions move through more quickly given the existing project footprint.
- On the technology side, 94% of the upcoming portfolio shall use ultra-supercritical technology, aligning it with efficient operations.
- APL's revenue visibility is also strong, with 56% of the capacity already tied up under PPAs, providing a stable, contracted offtake base for a significant share of the new capacity as it comes online.

**Exhibit 12: APL's upcoming portfolio**

| Holding structure and geographical spread | | Capacity (MW) |
|---|---|---|
| Adani Power Ltd | Kawai | 3,200 |
| | Raipur | 1,600 |
| | Raigarh | 3,200 |
| | Pirapainti | 2,400 |
| | Chapar | 3,200 |
| Mahan Energen Ltd | Mahan | 3,200 |
| Korba Power Ltd | Korba | 2,920 |
| Anuppur Thermal Energy (MP) Pvt Ltd | Annupur | 2,400 |
| Mirzapur Thermal Energy (UP) Pvt Ltd | Mirzapur | 1,600 |
| | | **23,720** |

Source: Company, MOFSL

**Exhibit 13: APL's roadmap to 42GW capacity by FY32**




*Note: Above mentioned estimates are APL's own estimates*

Source: Company

**Exhibit 14: 100% land secured and BTG ordered for pipeline projects**

| Project | MW | Land | Equipment Ordering | Environmental Clearance | PPA (MW) |
|---|---|---|---|---|---|
| Korba Ph-II | 1,320 | ✓ | ✓ | ✓ | Bids ongoing |
| Mahan Ph-II | 1,600 | ✓ | ✓ | ✓ | 1,320 |
| Raipur Ph-II | 1,600 | ✓ | ✓ | ✓ | 1,600 |
| Raigarh Ph-II | 1,600 | ✓ | ✓ | ✓ | Bids ongoing |
| Mirzapur | 1,600 | ✓ | ✓ | ✓ | 1,600 |
| Mahan Ph-III | 1,600 | ✓ | ✓ | ✓ | Bids ongoing |
| Kawai Ph-II | 1,600 | ✓ | ✓ | ✓ | Bids ongoing |
| Korba Ph-III | 1,600 | ✓ | ✓ | In progress | Bids ongoing |
| Pirpainti | 2,400 | ✓ | ✓ | ✓ | 2,400 |
| Kawai Ph-III | 1,600 | ✓ | ✓ | ✓ | Bids ongoing |
| Anuppur | 2,400 | ✓ | ✓ | ✓ | 1,600 |
| Raigarh Ph-III | 1,600 | ✓ | ✓ | In progress | Bids ongoing |
| Chapar | 3,200 | ✓ | ✓ | ✓ | 3,200 |
| To be assigned | **1,600** | | | | **1,600** |
| **Total** | **23,720** | **100%** | **100%** | **87%** | **13,320** |

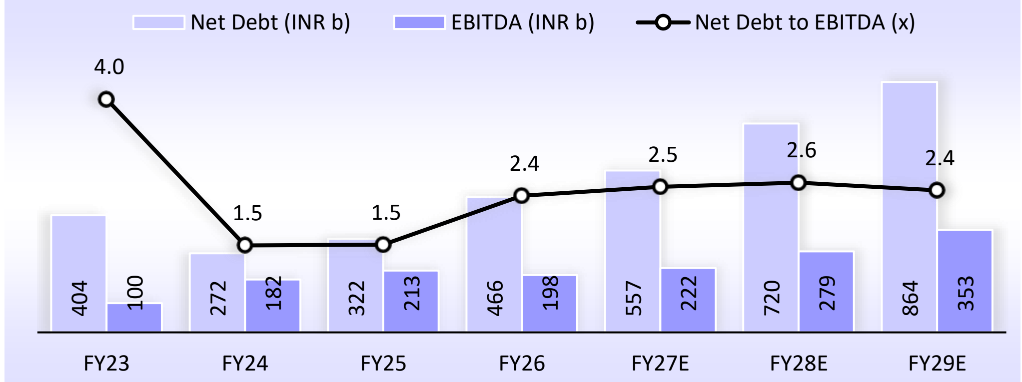
Source: Company, MOFSL

## Controlled leverage even amidst a strong capex cycle

APL's net debt/EBITDA is expected to remain in control, declining from ~4x in FY23 to 2.4x by FY29

- APL's net debt/EBITDA is expected to remain in control, declining from ~4x in FY23 to 2.4x by FY29, driven by a surge in EBITDA even as net debt rises amid INR916b of capex during FY27-29.
- We estimate the company to generate an operating cash flow of INR761b in FY27-29, which helps keep leverage in check. Post-completion of the capex cycle, based on current capacity projections, we estimate APL EBITDA at a robust ~INR800b.
- The strong PPA backed cash flow generation has been instrumental in APL getting a nine-notch upgrade in the last six years from rating agencies. This also led to increased coverage from one rating agency to four rating agencies and helped reduce finance costs.

**Exhibit 15: Net debt to EBITDA over FY23-29E**




Source: Company, MOFSL

## Inorganic growth: Inexpensive, value-accretive acquisitions

- Historically, APL has used the strategy of acquiring distressed or stranded thermal assets at a steep discount to greenfield replacement costs and then ramping up their utilization as a repeatable, capital-efficient growth lever (largely through the Corporate Insolvency Resolution Process). On an ~INR100m/MW greenfield replacement-cost comparative base, recent and historical plants have been secured well below replacement value. The table below encapsulates APL's acquisition cost/MW for all the acquired assets:

**Exhibit 16: APL's acquired portfolio (vs. JSWE/Torrent Power acquisitions)**

| Acquired Plants | Capacity (MW) | Acq cost (INRm) | Acq cost (INRm)/MW | Year of acquisition |
|---|---|---|---|---|
| **Adani Power** | | | | |
| Udupi, Karnataka | 1,200 | 63,000 | 53 | 2015 |
| Mahan (Singrauli), MP | 1,200 | 25,000 | 21 | 2022 |
| Raipur, Chhattisgarh | 1,370 | 35,300 | 26 | 2019 |
| Raigarh, Chhattisgarh | 600 | 12,040 | 20 | 2019 |
| Mutiara, Tamil Nadu | 1,200 | 33,360 | 28 | 2024 |
| Korba, Chhattisgarh | 600 + 1,320 under development | 41,010 | | 2024 |
| Dahanu, Maharashtra | 500 | 8,150 | 16 | 2024 |
| Butibori, Maharashtra | 600 | 40,000 | 67 | 2025 |
| | **7,270** | | | |
| **Torrent Power** | | | | |
| Nabha Power Ltd | 1,400 | 68,890 | 49 | 2026 |
| **JSW Energy** | | | | |
| Ind-Barath | 700 | 10,476 | 15 | 2022 |
| KSK Mahanadi | 1,800 +1,800 under development* | 1,60,840 | 89 | 2025 |

**Of the 1,800MW under development, one unit of 600MW was 40% completed with the balance of plant in place for entire 3,600MW*

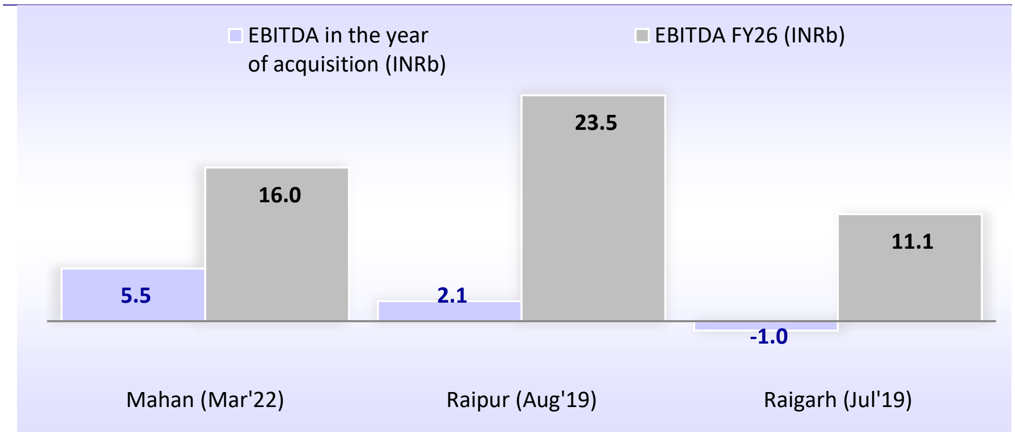
Source: Company, MOFSL

- **Turnaround cases:** Raigarh, acquired in Jul'19 with a negative EBITDA of INR970m in the year of acquisition, has since been transformed into a robust earnings contributor with FY26 EBITDA of INR11,140m – a remarkable turnaround. Similarly, Raipur (acquired in Aug'19) has scaled EBITDA over 11x, from INR2,100m to INR23,510m in FY26, while Mahan (acquired Mar'22) has nearly tripled its EBITDA from INR5,490m to INR15,990m.

Raigarh/Raipur/ Mahan have generated cumulative EBITDA of ~3.1x/2.7x/2.5x their acquisition costs, respectively.

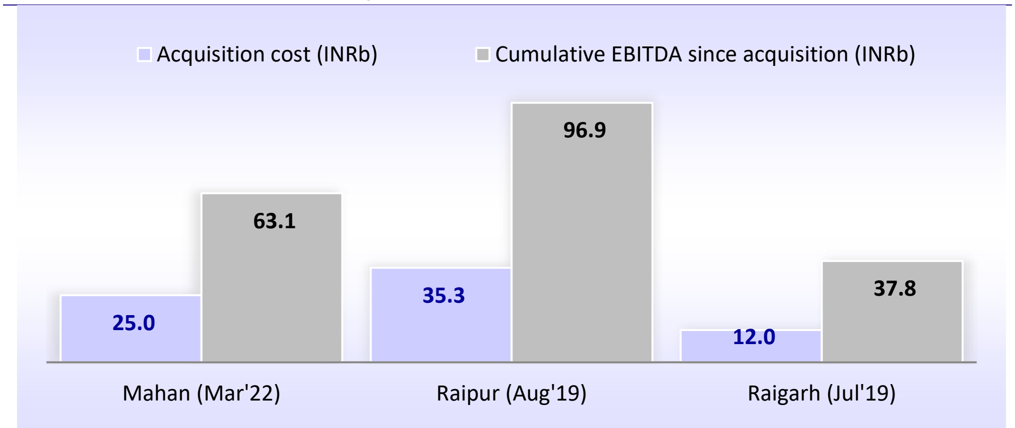
- The company's acquisitions have comfortably paid back the investment costs through cumulative cash generation, reinforcing capital allocation discipline. Raigarh, acquired for ~INR12b, has generated cumulative EBITDA of ~INR37b since its acquisition, which is over 3x the acquisition cost. Raipur (acquired for ~INR35b) has generated cumulative EBITDA of ~INR97b, translating into a similar ~2.7x return. Mahan (acquired for INR25b) has already generated INR63b in cumulative EBITDA, i.e., ~2.5x the acquisition cost, despite a shorter ownership period.

**Exhibit 17: Sharp EBITDA turnaround in acquired plants**




Source: Company

**Exhibit 18: Robust returns on acquired assets**




Source: Company

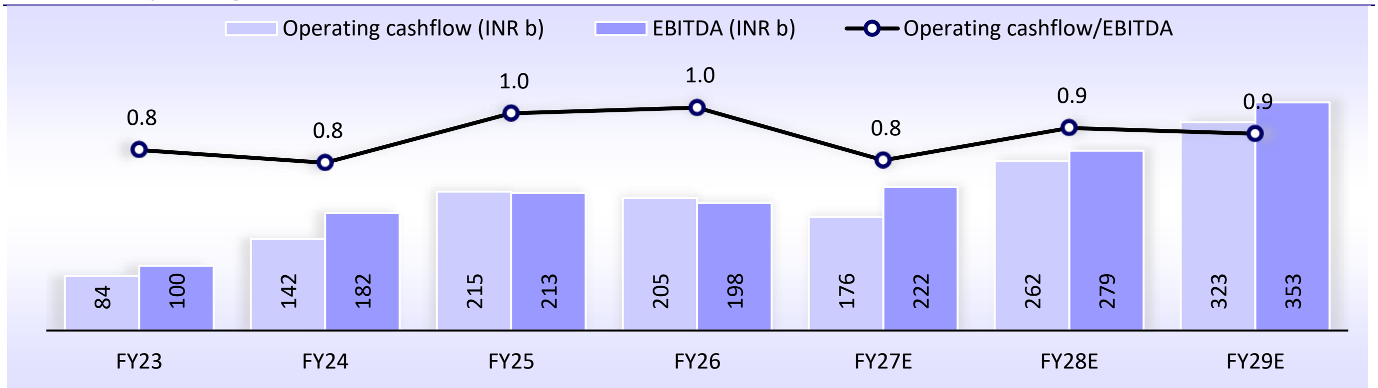
## Model an EBITDA/APAT CAGR of 21%/9% over FY26-29E

- We build in an EBITDA/APAT CAGR of 21%/9% over FY26–FY29E, driven by the expansion of the thermal portfolio as we expect operational capacity to increase to 24.5GW by FY29E from 18.3GW in FY26.
- We build in capacity additions of 1.3GW/1.6GW/3.2GW in FY27/FY28/FY29, respectively, led by the commissioning of Mahan Phase II, Raipur Phase II, Korba Phase II, and Raigarh Phase II. These additions entail an attractive average capex of <INR100m/MW. Over 50% of the incremental capacity (~24GW) is backed by long-term PPAs, providing predictable cash flows and greater earnings stability. The new PPAs also offer higher fixed charges, while SHAKTI-linked FSAs provide fuel security.

We build in capacity additions of 1.3/1.6/3.2GW in FY27/FY28/FY29

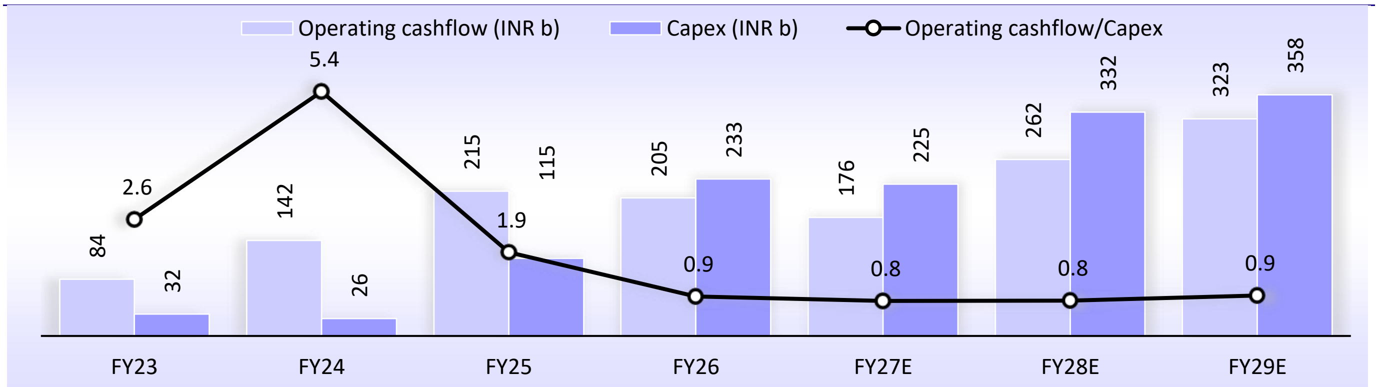
- We estimate capex of ~INR916b over FY27–FY29E, reflecting spending on the ongoing projects as well as the commencement of capex for future capacity expansion. We assume ~20-30% of project capex is incurred in the first two years and the bulk of the spending takes place over the subsequent years.
- Despite the elevated capex cycle, we expect balance-sheet leverage to remain broadly stable, with net debt/EBITDA at 2.4x in FY29E, while RoE is expected to remain healthy at 16–18% over FY27–FY29E.
- Long-term earnings growth is supported by the commissioning of new capacity, improving PLFs, further tie-ups of under-construction/new capacities through PPAs, and the optionality to expand into nuclear power generation.

**Exhibit 19: Operating cashflow to EBITDA over FY23-29E**




Source: Company, MOFSL

**Exhibit 20: Operating cashflow to capex over FY23-29E**

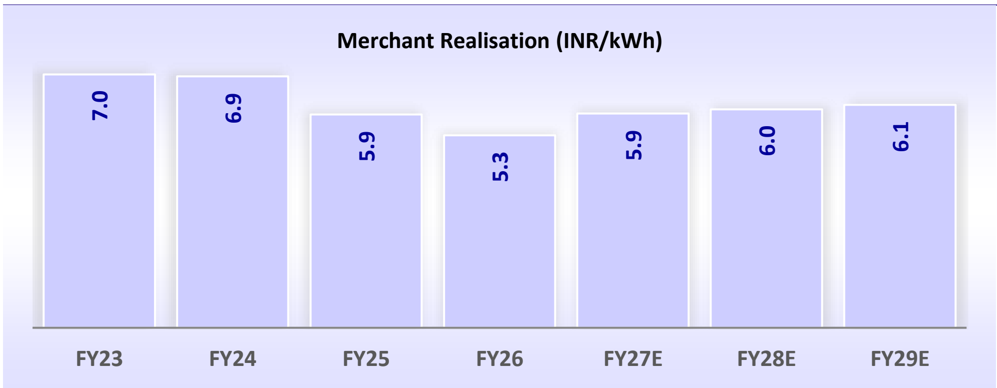



Source: Company, MOFSL

## Merchant power as a margin lever

- APL capitalizes on merchant power opportunities to achieve higher returns from untied capacity, with merchant exposure enabling margin upside during favorable market cycles.
- Although 90% of the FY26 operational capacity was tied up under contracts (with only a marginal 10% on merchant), the sales volume mix stood at 79% contracted and 21% merchant. This mix reflects the company's ability to monetize surplus power beyond contracted capacity through the merchant route.
- Merchant realization stood at INR5.3/unit, while the merchant volumes stood at 20.9BUs in FY26 (vs. 20.6BU in FY25). We model merchant realizations of INR5.9/6.0/6.1 per unit in FY27E/28E/29E.
- Going forward, we believe merchant exposure to be ~5% of the operational capacity.

**Exhibit 21: Merchant realizations (INR/kWh)**




Source: Company

## Higher capacity charges under new PPAs provide earnings visibility

~56% of the upcoming thermal capacity of ~24GW has been tied up under PPAs

- About 56% of the upcoming thermal capacity has been tied up. These PPAs provide for availability-based capacity charges.
- New PPAs carry materially better capacity charges as compared to the previous PPAs, and since the capacity charges are availability-based, it implies stable EBITDA, given APL maintains the availability of plants through the period. The fuel cost is pass-through for the PPAs.
- Fixed charges for APL's under-construction portfolio range from INR2.9/kWh to INR 4.30/kWh, averaging INR 3.9/kWh, well above the operational PPA's average capacity charge of INR 1.3/kWh.
- Thus, as fuel costs are pass-through and capacity charges do not depend on offtake, APL's exposure narrows mainly to meeting availability/PAF thresholds (an operational execution risk, largely within the management's control given the track record).

## Valuation and view

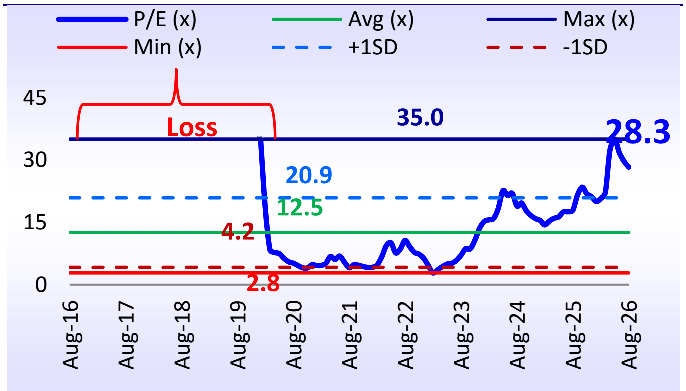
- We value APL at 16x FY29E EBITDA,  investments add INR1/share. The sum of these contributions, adjusted for net debt, results in a TP of INR250. APL is currently trading at an FY29E EV/EBITDA of 13.8x.
- We build an EBITDA CAGR of 21% over FY26-29E, a PAT CAGR of 9% over FY26-29E, and capacity additions of 1.3/1.6/3.2GW in FY27/28/29, with the commissioning of Mahan (Phase II), Raipur (Phase II), Korba (Phase II), and Raigarh (Phase II) plants.
- APL's substantial valuation premium over peers such as NTPC and JSW Energy is a function of 1) superior capital allocation with the average acquisition cost of INR 35m/MW, significantly below the greenfield thermal plant cost of INR120m over the past five years, 2) strong growth trajectory with potential for EBITDA to rise to INR800b post-completion of the current capex cycle, and 3) optionality from forays into nuclear.

**Exhibit 22: Valuation table**

| Segment | Metric type | Metric value (INRb) | Multiple | Value (INR/sh.) |
|---|---|---|---|---|
| Generation assets | FY29 EBITDA | 353 | 16 | 294 |
| Investments | FY29E | 17 | | 1 |
| Less: Net Debt | FY29E | 864 | | 45 |
| **Target price** | | | | **250** |
| CMP | | | | 208 |
| **Upside / (Downside)** | | | | **20%** |

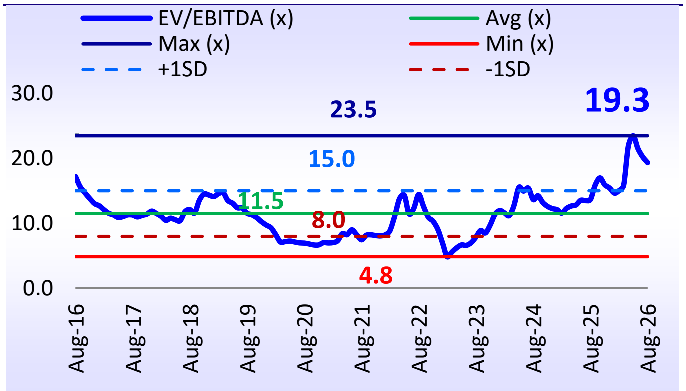
Source: Company, MOFSL

**Exhibit 23: One-year forward P/E**




Source: Company, MOFSL

**Exhibit 24: One-year forward EV/EBITDA**




Source: Company, MOFSL

**Exhibit 25: Peer Comparison**

| Company Name | ROE (%) | | | PE (x) | | | PB (x) | | | EV/EBITDA (x) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY26 | FY27E | FY28E | FY26 | FY27E | FY28E | FY26 | FY27E | FY28E | FY26 | FY27E | FY28E |
| JSW Energy Ltd | 5.4 | 5.8 | 7.6 | 60.8 | 50.4 | 33.8 | 3.1 | 2.7 | 2.5 | 16.1 | 13.9 | 11.3 |
| NTPC Ltd | 9.9 | 10.6 | 10.6 | 16.7 | 14.3 | 13.3 | 1.6 | 1.5 | 1.4 | 10.6 | 10.5 | 10.0 |
| Adani Power | 21.2 | 18.3 | 16.1 | 31.2 | 30.6 | 29.3 | 6.2 | 5.1 | 4.4 | 22.6 | 20.5 | 17.0 |
| Tata Power Co Ltd | 10.1 | 11.9 | 13.9 | 30.5 | 23.5 | 18.1 | 2.9 | 2.7 | 2.4 | 13.8 | 11.3 | 9.7 |

Source: Company, Bloomberg, MOFSL

## Key Risks

- **Exposure to uncontracted capacity:** Around 44% of the upcoming capacity is not yet tied to PPAs, leaving APL exposed to demand uncertainty, risking lower realizations and delayed revenue visibility if PPAs are not secured in time.
- **Intense competition can hurt returns:** APL remains exposed to competition in the power sector where presence of multiple competitors can reduce project returns.
- **Slower than expected tendering pace:** While APL has a robust ~24 GW capacity pipeline currently, slowdown in tendering activity can hurt the future capacity addition outlook for APL.
- **Execution risk on large capital projects:** APL has large capex commitments across greenfield thermal plants and brownfield thermal acquisitions. Delays or cost overruns can hurt cash flows and returns. Key challenges include land acquisition hurdles and right-of-way constraints for transmission lines, delays in obtaining statutory and environmental clearances, supply chain disruptions, and contractor or logistics bottlenecks.
- **Environmental compliance challenges:** APL must adhere to strict environmental regulations. Failure to manage emissions, water usage, and waste effectively could result in penalties and legal issues.

# SWOT ANALYSIS

## S STRENGTH

- APL maintains its position as India's largest private thermal power producer operating over 18 GW of capacity.
- The plants benefit from locations near coal sources and port facilities, which helps to lower transportation expenses and support smooth operations.
- APL's current fleet of plants includes 60% ultra-supercritical & supercritical units, which require less fuel per unit of electricity and emit lower levels of carbon.

## W WEAKNESS

- The company's capacity depends almost entirely on thermal power plants creating exposure to stricter environmental rules.
- APL encounters tariff disagreements and approval delays w.r.t. coal linkage approvals and recovery of alternative coal costs, affecting profitability and cash generation.

## O OPPORTUNITY

- Urban growth and industrial expansion in India are expected to drive electricity consumption at about 6% CAGR up to 2032.
- Nuclear power is an emerging optionality for long-term earnings growth. APL has outlined a target of developing 10GW of nuclear capacity by 2035.

## T THREATS

- India's Paris Agreement obligations increase regulatory focus on carbon emissions.
- Thermal power plants face growing compliance costs that could raise APL's operating expenses.

# BULL AND BEAR CASE SCENARIOS

## Bull case

- ☑ In our bull case scenario, we anticipate a 10% higher merchant realization/unit in FY27/ FY28/FY29 vs. the base case over the same period.
- ☑ We anticipate a 5% higher PLF in Mundra plant in FY27/ FY28/FY29 vs. the base case over the same period.
- ☑ We increase the valuation multiple for the thermal generation business to 18x FY29 EBITDA (base case 16x).
- ☑ Based on the above assumptions, the company's bull case valuation would be INR305/sh.

## Bear case

- ☑ In our bear case scenario, we anticipate a 15% lower merchant realization/unit in FY27/ FY28/FY29 vs. the base case over the same period.
- ☑ We anticipate a 5% lower PLF in Mundra plant in FY27/ FY28/FY29 vs. the base case over the same period.
- ☑ We reduced the valuation multiple for the thermal generation business to 11x FY29 EBITDA (base case 16x).
- ☑ Based on the above assumptions, the company's bear case valuation would be INR140/sh.

**Exhibit 1: Scenario analysis – Bull case**

| INR b | FY27E | FY28E | FY29E |
|---|---|---|---|
| Net revenue | 674 | 784 | 924 |
| EBITDA | 230 | 291 | 373 |
| PAT | 137 | 146 | 181 |
| Valuation Multiple | | | 18x FY29 EBITDA |
| **Target price (INR)** | | | 305 |
| **Upside (%)** | | | **47%** |

Source: MOFSL, Company

**Exhibit 2: Scenario analysis – Bear case**

| INR b | FY27E | FY28E | FY29E |
|---|---|---|---|
| Net revenue | 657 | 754 | 876 |
| EBITDA | 213 | 262 | 325 |
| PAT | 123 | 124 | 144 |
| Valuation Multiple | | | 11x FY29 EBITDA |
| **Target price (INR)** | | | 140 |
| **Downside (%)** | | | **-33%** |

Source: MOFSL, Company

# ESG INTIATIVES


## Environment

- In FY26, APL invested INR1.7b towards energy efficiency and conservation projects, demonstrating commitment to sustainable operations.
- APL has initiated co-firing of biomass pellets at Korba and Tiroda Thermal Power Plants in FY26. The use of biomass pellets, an eco-friendly, carbon-neutral fuel derived from agricultural residues, helps reduce coal consumption, lower lifecycle greenhouse gas emissions, and support circular economy principles.
- APL planted ~766,000 trees in FY26 (~49,20,000 to date).

## Social

- Aligned with the National Education Policy (NEP) 2020, Project Utthan, launched by the Adani Foundation, focuses on strengthening foundational literacy and numeracy in government primary schools, with a special emphasis on empowering Priya Vidyarthis (progressive learners) from marginalized backgrounds.
- Each school is supported by an Utthan Sahayak, a dedicated teacher who is pivotal in transforming these schools into model institutions, ensuring every learner's potential is nurtured and realized.
- Launched in Aug'24, the Adani Foundation's Eye Care Program aims to provide eye screenings, primary eye-care services, and awareness on eye health to school-going children, women, the elderly, and truck drivers. The initiative focuses on early detection and prevention of vision problems.

## Governance

- The company has a robust governance structure in place.
- The APL Board comprises highly experienced people of repute and eminence. It has a good and diverse mix of Executive and Non-Executive Directors, with 50% of the Board members being Independent Directors, including an Independent Woman Director. The Board composition is in conformity with the applicable provisions of the Companies Act, 2013, and SEBI Listing Regulations, as well as other applicable statutory provisions.
- All statutory committees have independent director representation with the audit committee being comprised entirely of independent directors

# MANAGEMENT OVERVIEW

### Mr. Gautam Adani, Chairman

- Mr. Gautam S. Adani, is a Non-Executive Promoter Director of the company.
- Mr. Adani is the Founder and Chairman of the Adani Group, India's largest integrated infrastructure group that is increasingly expanding its presence from traditional B2B sectors into B2C sectors. Mr. Adani has been variously described as India's 'Infrastructure King' and as one of the world's most visionary business leaders.

### Mr. Anil Sardana, Managing Director

- Mr. Anil Sardana, is an Executive Director of the company.
- Mr. Sardana comes with over three decades of experience in the power and infrastructure sector. He started his career with NTPC and subsequently worked with BSES and Tata Group companies in the power and infra sector, ranging from generation, power systems design, power distribution, telecom, and project management.
- Before joining the Adani Group, he was the MD & CEO of the Tata Power Group based out of Mumbai. Mr. Sardana is an honors graduate in Electrical Engineering from Delhi University, a Cost Accountant (ICWAI), and also holds a PGDM from the All India Management Association.

### Mr. Shersingh Khyalia, Wholetime Director & CEO

- Mr. S. B. Khyalia, is a Whole-time Director and Chief Executive Officer of the company.
- Mr. Khyalia is a Chartered Accountant.
- During his almost three decades of service in the power sector, he has been a Director on the Boards of M/s. Power Exchange (India) ltd, Paschim Gujarat Vij Company ltd, Uttar Gujarat Vij Company ltd, Dakshin Gujarat Company Ltd., Madhya Gujarat Company Ltd., Dakshin Haryana Distribution Company Ltd., Gujarat Green Revolution Ltd., etc.
- Mr. Khyalia has more than 35 years of rich experience in managing complex businesses in the Power industry including Generation, Transmission and Distribution.

### Mr. Rajesh Adani, Non-Executive Director

- Mr. Rajesh S. Adani, is a Non-Executive and Promoter Director of the company.
- Mr. Adani has been associated with Adani Group since its inception. With strong leadership and interpersonal skills, he heads the Group's operations and has been responsible for developing its business relationships. His proactive and personalized approach towards the business and his competitive spirit have contributed greatly to the growth of the Group and its diverse businesses. He currently spearheads the Group's Energy vertical.

# FINANCIALS AND VALUATIONS

**Consolidated Income Statement** — INRb

| | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| **Net Sales** | **388** | **504** | **562** | **542** | **666** | **771** | **905** |
| *Change (%)* | *39.9* | *29.9* | *11.6* | *-3.5* | *22.9* | *15.8* | *17.3* |
| Total Expenses | 287 | 322 | 349 | 344 | 444 | 493 | 551 |
| **EBITDA** | **100** | **182** | **213** | **198** | **222** | **279** | **353** |
| *% of Net Sales* | *25.9* | *36.1* | *37.9* | *36.5* | *33.4* | *36.1* | *39.0* |
| Depreciation | 33 | 39 | 43 | 46 | 46 | 54 | 67 |
| **EBIT** | **67** | **142** | **170** | **152** | **176** | **225** | **286** |
| Fin. Cost | 33 | 34 | 33 | 34 | 42 | 74 | 95 |
| Other income | 43 | 99 | 27 | 36 | 30 | 26 | 25 |
| **PBT before EO** | **77** | **208** | **164** | **155** | **164** | **177** | **217** |
| EO gain/(expense) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **PBT after EO** | **77** | **208** | **164** | **155** | **164** | **177** | **217** |
| Tax | -31 | 0 | 36 | 25 | 33 | 41 | 52 |
| *Rate (%)* | *-39.8* | *-0.2* | *22.1* | *16.3* | *20.0* | *23.0* | *24.0* |
| Share of JV/Assoc | 0 | 0 | 0 | 0 | 5 | 5 | 5 |
| Minority | 0 | 0 | -2 | 1 | 5 | 4 | 4 |
| **Reported PAT** | **107** | **208** | **129** | **128** | **131** | **137** | **166** |
| **Adjusted PAT** | **107** | **208** | **129** | **128** | **131** | **137** | **166** |
| *Change (%)* | *118.4* | *94.2* | *-37.9* | *-0.8* | *1.9* | *4.6* | *21.2* |

**Consolidated Balance Sheet** — INRb

| **Y/E March** | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| Share Capital | 39 | 39 | 39 | 39 | 39 | 39 | 39 |
| Reserves | 260 | 393 | 525 | 611 | 742 | 878 | 1,044 |
| **Net Worth** | **299** | **431** | **563** | **649** | **780** | **917** | **1,083** |
| Minority Interest | 0 | 0 | 13 | 15 | 20 | 24 | 28 |
| Total Loans | 423 | 345 | 383 | 536 | 665 | 926 | 1,189 |
| Deferred Tax Liability | 0 | 3 | 40 | 58 | 58 | 58 | 58 |
| **Capital Employed** | **721** | **779** | **1,000** | **1,258** | **1,523** | **1,925** | **2,358** |
| **Net Fixed Assets** | **505** | **620** | **667** | **668** | **676** | **743** | **956** |
| Capital WIP | 129 | 9 | 121 | 351 | 522 | 734 | 812 |
| Goodwill | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Investments | 14 | 4 | 11 | 16 | 16 | 16 | 17 |
| **Curr. Assets** | **208** | **288** | **328** | **386** | **478** | **605** | **754** |
| Inventories | 31 | 41 | 33 | 36 | 47 | 55 | 67 |
| Account Receivables | 115 | 117 | 130 | 118 | 155 | 180 | 211 |
| Cash | 3 | 11 | 3 | 9 | 47 | 164 | 296 |
| Bank Balance | 15 | 61 | 58 | 60 | 60 | 42 | 29 |
| Others | 44 | 58 | 103 | 163 | 168 | 165 | 151 |
| **Curr. Liability & Prov.** | **137** | **144** | **129** | **165** | **171** | **175** | **183** |
| Account Payables | 31 | 36 | 30 | 28 | 33 | 37 | 41 |
| Provisions & Others | 106 | 108 | 99 | 137 | 138 | 139 | 142 |
| **Net Curr. Assets** | **72** | **144** | **199** | **221** | **307** | **430** | **571** |
| **Appl. of Funds** | **721** | **779** | **1,000** | **1,258** | **1,523** | **1,925** | **2,358** |

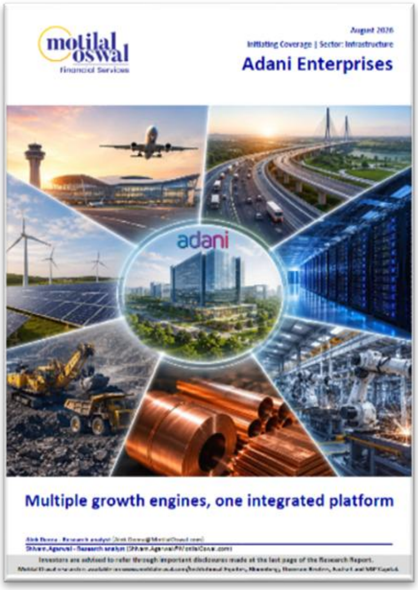
# FINANCIALS AND VALUATIONS

| Consolidated Cash Flow Statement | | | | | | | INRb |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| PBT (incl. JV/Associate share) | 77 | 208 | 164 | 155 | 169 | 182 | 222 |
| Depreciation | 33 | 39 | 43 | 46 | 46 | 54 | 67 |
| Interest and Finance Charges | 33 | 34 | 33 | 34 | 42 | 74 | 95 |
| Direct Taxes Paid | -1 | -1 | 0 | 1 | -33 | -41 | -52 |
| (Inc.)/Dec. in WC | -14 | -45 | -4 | -4 | -48 | -6 | -9 |
| Others | -45 | -94 | -21 | -26 | 0 | 0 | 0 |
| **CF from Operations** | **84** | **142** | **215** | **205** | **176** | **262** | **323** |
| (Inc.)/Dec. in FA | -32 | -26 | -115 | -233 | -225 | -332 | -358 |
| **Free Cash Flow** | **52** | **116** | **100** | **-28** | **-49** | **-70** | **-36** |
| (Pur)/Sale of Investments | -2 | 9 | -65 | -45 | 0 | 0 | 0 |
| Others | 50 | 51 | 9 | 13 | 0 | 0 | 0 |
| **CF from Investments** | **15** | **35** | **-171** | **-265** | **-225** | **-333** | **-359** |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inc./(Dec.) in Debt | -70 | -134 | -15 | 107 | 129 | 261 | 263 |
| Interest Paid | -34 | -34 | -34 | -40 | -42 | -74 | -95 |
| Dividend Paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | -3 | -1 | 0 | 0 | 0 |
| **CF from Fin. Activity** | **-104** | **-169** | **-52** | **66** | **88** | **187** | **168** |
| **Inc./Dec. in Cash** | **-4** | **8** | **-8** | **6** | **38** | **116** | **132** |
| Opening Balance | 8 | 3 | 11 | 3 | 9 | 47 | 164 |
| **Closing Balance** | **3** | **11** | **3** | **9** | **47** | **164** | **296** |

| Ratios | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| **Basic (INR)** | | | | | | | |
| **EPS** | **5.6** | **10.8** | **6.7** | **6.7** | **6.8** | **7.1** | **8.6** |
| Cash EPS | 7.3 | 12.8 | 8.9 | 9.0 | 9.2 | 9.9 | 12.1 |
| BV/Share | 15.5 | 22.4 | 29.2 | 33.7 | 40.5 | 47.5 | 56.1 |
| DPS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payout (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Valuation (x)** | | | | | | | |
| P/E | 37.3 | 19.2 | 31.0 | 31.2 | 30.6 | 29.3 | 24.2 |
| Cash P/E | 28.5 | 16.2 | 23.2 | 23.0 | 22.6 | 21.0 | 17.2 |
| P/BV | 13.4 | 9.3 | 7.1 | 6.2 | 5.1 | 4.4 | 3.7 |
| EV/EBITDA | 43.9 | 23.5 | 20.3 | 22.6 | 20.5 | 17.0 | 13.8 |
| **Return Ratios (%)** | | | | | | | |
| RoE | 44.2% | 57.0% | 26.0% | 21.2% | 18.3% | 16.1% | 16.6% |
| RoCE (post-tax) | 21.7% | 32.3% | 17.3% | 14.0% | 11.8% | 11.2% | 11.1% |
| **Working Capital Ratios** | | | | | | | |
| Fixed Asset Turnover (x) | 0.8 | 0.8 | 0.8 | 0.8 | 1.0 | 1.0 | 0.9 |
| Asset Turnover (x) | 0.5 | 0.6 | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 |
| Debtor (Days) | 109 | 85 | 85 | 79 | 85 | 85 | 85 |
| Inventory (Days) | 29 | 30 | 22 | 24 | 26 | 26 | 27 |
| Working Capital Turnover (Days) | 67 | 104 | 129 | 149 | 168 | 203 | 230 |
| **Leverage Ratio (x)** | | | | | | | |
| Current Ratio | 1.5 | 2.0 | 2.5 | 2.3 | 2.8 | 3.4 | 4.1 |
| Net Debt/EBITDA | 4.0 | 1.5 | 1.5 | 2.4 | 2.5 | 2.6 | 2.4 |
| Debt/Equity | 1.4 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 |

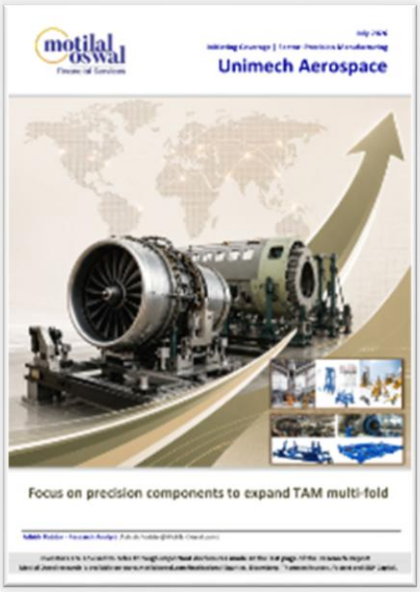
# NOTES

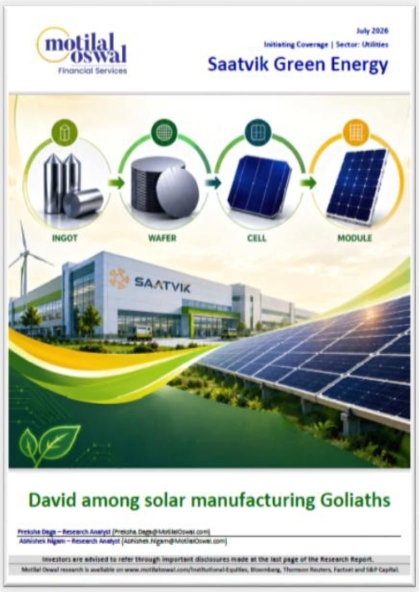
# RECENT INITIATING COVERAGE REPORTS









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

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

**Disclosures**

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

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

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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

**Regional Disclosures (outside India)**

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

**For Hong Kong:**

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

**For U.S.**

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

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

**For Singapore**

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

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

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

**Specific Disclosures**

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

The associates of MOFSL may have:

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

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

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

**Analyst Certification**

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

**Terms & Conditions:**

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

**Disclaimer:**

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

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

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

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

| Contact Person | Contact No. | Email ID |
|---|---|---|
| Ms. Hemangi Date | 022 40548000 / 022 67490600 | query@motilaloswal.com |
| Ms. Kumud Upadhyay | 022 40548082 | servicehead@motilaloswal.com |
| Mr. Ajay Menon | 022 40548083 | am@motilaloswal.com |
| Mr. Neeraj Agarwal | 022 40548085 | na@motilaloswal.com |
| Mr. Siddhartha Khemka | 022 50362452 | po.research@motilaloswal.com |

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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