

## 2QFY25: Better than expected; RE building blocks in place

CESC reported revenue of INR 48.2bn (2% YoY, 4% JMFe) for 2QFY25 driven by strong growth in power demand across the circles (5% YoY in Kolkata) and recovery of fuel and power purchase adjustment surcharge. EBITDA came in at INR 10.2bn (1% YoY, 7%JMFe). Adj. PAT came in at INR 3.5bn (1% YoY, 3% JMFe). The generation from two of its generating stations, 750 MW Budge Budge and 135 MW Southern has reduced as the company has opted for buying cheap power from the exchange for its Kolkata distribution circle rather than generating. The company is moving ahead with its target of adding 1.4GW/ 3.2 GW of RE capacities by FY27/ FY29 as it has initiated process for grid connectivity and land acquisition. With demand momentum in power distribution circles, progress in renewables, and turnaround of Rajasthan distribution franchisee, we retain our BUY rating with a SOTP-based TP to INR 206.

- Segmental performance:** CESC reported consol. adj. PAT of INR 3.5bn (1% YoY). The Rajasthan franchisees (Kota/ Bikaner/ Bharatpur) reported a PAT of INR 10mn for 2QFY25 (vs. loss of INR 30mn in 2QFY25). Loss increased at Malegaon to INR -430mn in 2QFY25 vs. loss of INR 280mn in 2QFY24. The turnaround of Malegaon is expected to take time. Dhariwal has been doing well backed by the 210MW medium-term PPA with Central Railways, and sale of balance power in the energy exchanges (PAT grew by 19% YoY to INR 810mn 2QFY25). With 530mn PAT in 2QFY25, Noida reported 43% YoY increase. Haldia reported profit of INR 740mn (12% YoY) led by higher generation (+6% YoY). Company reported standalone PAT of INR 2.2bn (-5% YoY) for 2QFY25 led by 15% growth in units purchased.
- Operations highlight:** The generation from two of its generating stations, 750 MW Budge Budge and 135 MW Southern has reduced (1578 MU during 2QFY25 vs. 1762 MU during 2QFY24, -10.4% YoY). The company has opted for buying cheap power from the exchange for its Kolkata distribution circle rather than generating where the cost of generation is high (INR 3.1/kWh for Budge Budge and INR 4.2/kWh for Southern).
- Renewables is catching up:** CESC has targeted 1.4GW / 3.2 GW of RE capacity by FY27/ FY29 which includes 1.7 GW wind and 1.5 GW solar capacity. It has applied/secured for connectivity of 5.7 GW across high wind and solar states (Gujarat, Madhya Pradesh, Rajasthan, Andhra Pradesh and Karnataka). Its platform is ready for participation in various bid formats invited by Renewable Energy Implementing Agencies (REIA)/discoms (Exhibit-1 and 2).
- Chandigarh DISCOM:** Eminent Electricity Distribution Ltd, a wholly-owned subsidiary of CESC, successfully secured the bid to acquire a 100% stake in the power distribution company (DISCOM) of Chandigarh, offering the highest bid of INR 8.71 bn in 2021. Competing bidders included Torrent Power, NTPC Limited, ReNew Power, Adani Group, Tata Power, and Sterlite Power. However, in Dec 2020, the High Court of Punjab and Haryana issued a stay order on the privatization of Chandigarh's DISCOM on the petition filed by employees' union. On Nov 6, 2024, the High Court dismissed the petition,

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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	206
Upside/(Downside)	12.1%
Previous Price Target	201
Change	2.6%

### Key Data – CESC IN

Current Market Price	INR184
Market cap (bn)	INR243.8/US\$2.9
Free Float	45%
Shares in issue (mn)	1,332.2
Diluted share (mn)	1,330.0
3-mon avg daily val (mn)	INR1,482.0/US\$17.6
52-week range	213/89
Sensex/Nifty	78,675/23,883
INR/US\$	84.4

### Price Performance

%	1M	6M	12M
Absolute	-0.9	29.8	105.4
Relative*	2.6	19.9	70.4

\* To the BSE Sensex

### Financial Summary

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	1,55,225	1,70,500	1,84,152	1,90,935	2,02,525
Sales Growth (%)	16.9	9.8	8.0	3.7	6.1
EBITDA	34,254	38,830	43,711	44,411	49,813
EBITDA Margin (%)	22.1	22.8	23.7	23.3	24.6
Adjusted Net Profit	13,428	13,760	17,869	18,674	19,320
Diluted EPS (INR)	10.1	10.3	13.4	14.0	14.5
Diluted EPS Growth (%)	-1.1	2.6	29.9	4.5	3.5
ROIC (%)	9.4	10.1	11.0	10.9	10.9
ROE (%)	12.1	11.8	14.2	13.5	12.7
P/E (x)	18.3	17.8	13.7	13.1	12.7
P/B (x)	2.2	2.1	1.9	1.8	1.6
EV/EBITDA (x)	10.7	9.5	8.3	8.3	8.1
Dividend Yield (%)	2.5	2.5	2.5	2.5	2.5

Source: Company data, JM Financial. Note: Valuations as of 12/Nov/2024

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

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thereby facilitating the privatization. The distribution circle currently experiences losses of less than 8% and maintains a cash surplus; however, it requires significant modernization to accommodate increased load demands. We expect union to appeal against the judgment in Supreme Court.

■ **Other key highlights:**




- Haldia TPP continued with steady supplies to Kolkata distribution business and reported PLF of 100% during the quarter.
- Kolkata Distribution business witnessed 5% YoY demand growth during Q2FY25.
- CESC Kolkata Distribution started recovery of fuel and power purchase adjustment surcharge (FPPAS) arising on account of variation in the price of fuel and power purchase cost from June 2024 which resulted in one-time higher regulatory assets.
- Noida Power (NPCL) reported sales of 1,056 MU during Q2FY25, registering a YoY growth of 11%.
- Rajasthan DFs remained EBITDA positive and reported consolidated YoY sales growth of 7% during the quarter.
- Chandrapur TPP continued with a strong financial performance backed by substantial tie up of its total capacity and higher generation. PLF during the quarter stood at 92.3% vs. 84%/80% during FY24/ FY23.

**Exhibit 1. Renewable Update (1/2)**

- Planned Renewable Capacity of **3.2 GW by FY29 in Phase-1** and **overall capacity of 10 GW in Phase-2** under Purvah Green Power Private Limited ("Purvah")
- Strong and experienced Renewable Energy team on boarded in Purvah Green
- Connectivity of **5.7 GW applied/secured across high wind and solar states** : Gujarat, Madhya Pradesh, Rajasthan, Andhra Pradesh and Karnataka
- **Platform ready for participation in various bid formats** invited by Renewable Energy Implementing Agencies (REIA)/discoms– Solar/Wind/Hybrid/ Firm and dispatchable renewable energy (FDRE)/ Battery etc.

Target to fully commission 3200 MW by Mar -2029

Capacity	FY27	FY28	FY29
Wind	800	1500	1700
Solar	600	900	1500
<b>Total</b>	<b>1400</b>	<b>2400</b>	<b>3200</b>

 <p><b>Wind</b> Phase 1 target- 1700 MW</p>	<p><b>3,240 MW of wind projects</b> in EPC mode (with land) with <b>Inox, Suzlon &amp; Ecoren</b> in the states of <b>Gujarat, Madhya Pradesh, Karnataka, Andhra Pradesh, Rajasthan</b></p>	<p>Applied <b>CTU connectivity for 2,995 MW</b> wind which is expected to be granted by Q3FY25. In addition signed binding term sheet for acquiring connectivity of 300 MW.</p>	<p>Multiple sites identified, and under various stages of evaluation for generation potential &amp; CUF, Wind Resource Assessment studies, etc under process</p> <p><b>Project Pipeline ~3,600 MW</b></p>	<p><b>11 sites</b> under evaluation for land agreements closure</p>
 <p><b>Solar</b> Phase 1 target- 1500 MW</p>	<p><b>1,800 acres</b> acquired <b>7,200 acres</b> of land parcels under evaluations and various stages of acquisition – <b>Rajasthan, Gujarat, Madhya Pradesh, Karnataka</b></p>	<p>Applied <b>CTU connectivity for 1,800 MW solar</b> which is expected to be granted by Q3FY25. In addition acquired 600 MW</p>	<p>Multiple sites identified, and under various stages of evaluation for generation potential &amp; CUF, etc under process</p> <p><b>Project Pipeline ~2,400 MW</b></p>	
 <p><b>Green Hydrogen</b></p>	<p><b>10,500 MT/annum of Green Hydrogen Production facility</b> expected to be commissioned within 3 yrs under CESC Projects Limited, a wholly owned subsidiary of CESC Limited which has been selected as the successful bidder</p>			

Source: Company

## Exhibit 2. Renewable Update (2/2)

## Key Updates on Wind Projects

- Framework agreement with **Inox Wind Ltd** for a **1.5 GW of wind turbines to be commissioned over 2-4 years**
- Agreement with **Suzlon Energy for Wind turbine Supply**, EPC and O&M to be commissioned over next 2-4 years
- Agreement with **Ecoren Energy India** to set up a **wind power project of up to 686.85 MW, to be commissioned within 3 years**
- Entered into a binding term-sheet to acquire **100% stake in Bhojraj Renewables Energy** to develop a **300MW wind project**

## Key Updates on Solar Projects

- Acquired **100% stake** in M/s Bhadla 3 SKP Green Ventures Pvt. Ltd. Under Purvah for developing a **solar park - 300 MW with land and CTU connectivity in Rajasthan**
- Entered into a binding term-sheet to acquire **100% stake in Bhojraj Renewables Energy** to develop a **150MW solar project**
- Acquired 100% stake in **Deshraj Solar Energy Private Limited**, for developing a **solar PV power plant of 300 MW capacity**
- **PPA signed** for setting up **300MW solar PV power project** under tariff-based competitive bidding
- In advanced stages of EPC contract closure for 300MW solar project being developed by Purvah Green

Source: Company

## Exhibit 3. 2QFY25 Result Summary

Particulars	Q2FY25A	Q2FY24A	YoY %	Q1FY25A	QoQ %	JMFe	Var
Revenue	47,000	43,520		48,630		42,650	
Reg. Income	1,190	3,610		6,890		3,500	
<b>Total Op. inc</b>	<b>48,190</b>	<b>47,130</b>	<b>2%</b>	<b>55,520</b>	<b>-13%</b>	<b>46,150</b>	<b>4%</b>
<b>Cost of goods sold</b>	<b>30,260</b>	<b>29,530</b>	<b>2%</b>	<b>36,330</b>		<b>28,171</b>	<b>7%</b>
Cost of Fuel	10,980	12,430		10,880		9,691	
Cost of Power	19,260	17,070		25,430		18,460	
Stock In Trade	20	30		20		20	
<b>Gross profit</b>	<b>17,930</b>	<b>17,600</b>	<b>2%</b>	<b>19,190</b>	<b>-7%</b>	<b>17,978</b>	<b>0%</b>
Emp. Cost	3,320	3,200		3,030		3,191	
Other exp.	4,460	4,330		5,560		5,292	
Total Exp.	38,040	37,060		44,920		36,654	
<b>EBITDA</b>	<b>10,150</b>	<b>10,070</b>	<b>1%</b>	<b>10,600</b>	<b>-4%</b>	<b>9,496</b>	<b>7%</b>
EBITDA Margin	21%	21%		19%		21%	
Other inc.	700	620		550		1,000	
Depri.	2,950	3,030		3,010		3,011	
Interest	3,280	3,050		3,220		3,050	
PBT	4,620	4,610	0%	4,920	-6%	4,435	4%
Tax	890	980		1,040		887	
<b>PAT (Reported)</b>	<b>3,730</b>	<b>3,630</b>	<b>3%</b>	<b>3,880</b>	<b>-4%</b>	<b>3,548</b>	<b>5%</b>
Min	-200	-150		-100		-132	
PAT (net of min. int)	3,530	3,480	1%	3,780	-7%	3,416	3%
<b>Adj PAT</b>	<b>3,530</b>	<b>3,480</b>	<b>1%</b>	<b>3,780</b>	<b>-7%</b>	<b>3,416</b>	<b>3%</b>

Source: Company, JM Financial

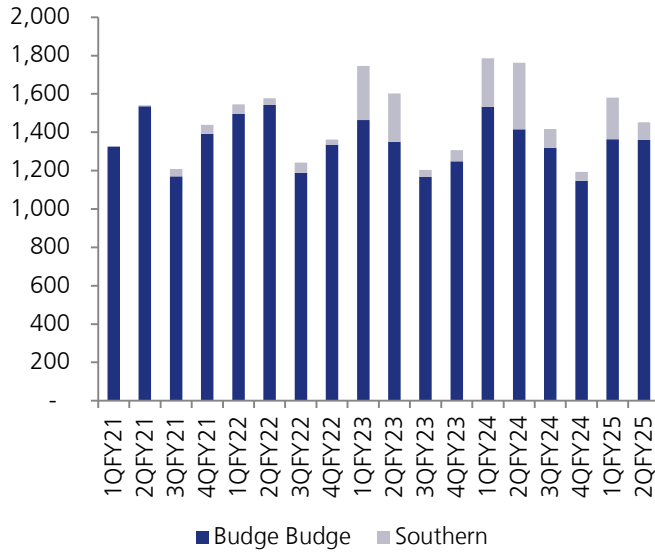
**Exhibit 4. Segment-wise performance (INR mn)**

Segment performance	Q2FY25A	Q2FY24A	YoY %	Q1FY25A	QoQ %
<b>Standalone</b>					
Revenue	26,390	24,480	8%	28,600	-8%
EBITDA	5,090	3,230	58%	740	588%
PAT	2,180	2,300	-5%	1,920	14%
Generation (MU)	1,578	1,762	-10%	1,715	-8%
PLF (%)					
Units Purchased (MU)	2,106	1,839	15%	2,255	-7%
Units Sold (MU)	3,264	3,161	3%	3,551	-8%
Tariff (INR/Kwh)	8.09	7.74	4%	8.05	0%
Power Purchase cost (INR/Kwh)	5.23	5.55	-6%	7.07	-26%
Fuel cost (INR/Kwh)	3.11	3.39	-8%	3.32	-6%
<b>Haldia (600MW)</b>					
Revenue	5,550	5,370	3%	4,810	15%
PAT	740	660	12%	840	-12%
Units Sold (MU)	1,226	1,162	6%	942	30%
PLF (%)	100%	95%	510bps	78%	2200bps
Tariff (INR/Kwh)	4.53	4.62	-2%	5.11	-11%
<b>Dhariwal (600MW)</b>					
Revenue	5,370	5,300	1%	5,260	2%
PAT	810	680	19%	1,120	-28%
Units Sold (MU)	1,156	1,120	3%	1,141	1%
PLF (%)	92%	91%	120bps	94%	-200bps
Tariff (INR/Kwh)	4.65	4.73	-2%	4.61	1%
<b>Noida Power</b>					
Revenue	8,020	7,120	13%	7,550	6%
PAT	530	370	43%	370	43%
<b>Crescent power &amp; Surya Vidyut</b>					
Revenue	550	470	17%	470	17%
PAT	160	150	7%	110	45%
<b>Kota/Bikaner/Bharatpur</b>					
Revenue	6,320	5,910	7%	6,500	-3%
PAT	10	-30		60	-83%
<b>Malegaon</b>					
Revenue	1,860	1,600	16%	1,650	13%
PAT	-430	-280	54%	-420	2%

Source: Company, JM Financial

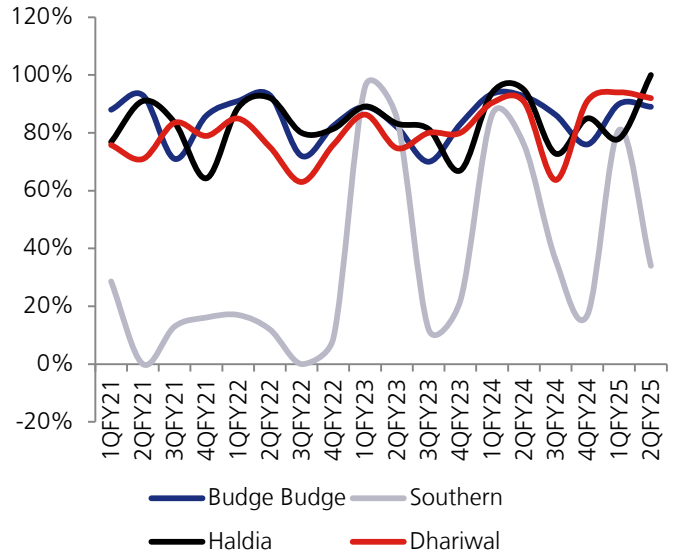
Key Charts

Exhibit 5. Sent Out Units (MU)



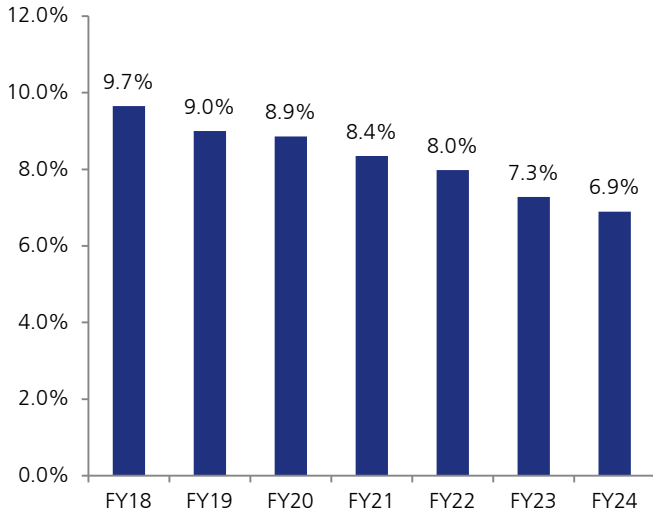
Source: Company, JM Financial

Exhibit 6. PLF trend (%)



Source: Company, JM Financial

Exhibit 7. T&D losses in Kolkata operations (%)



Source: Company, JM Financial

# Valuation

**Exhibit 8. SOTP valuation**

Particulars	Stake %	Parameter	Value (INR mn)	Multiple (x)	Total (INR mn)	Value per share
Kolkata operation	100	Regulated Equity	62,444	2.5	157,329	118
Thermal Generation	100.0	DCF	57,687	1.0	57,687	43
Renewable Generation	67.8	EV/EBITDA	13,693	12.0	9,288	7
Renewable Generation (New Capacity)	100.0	EV/EBITDA	21,032	14.0	21,032	16
Distribution Licensee (Noida)	72.7	Regulated Equity	7,827	3.9	22,398	17
Distribution Franchisee	100.0	DCF	6,975	1.0	6,975	5
<b>SOTP</b>						<b>206</b>
<b>CMP</b>						<b>184</b>
<b>Upside</b>						<b>12%</b>

Source: Company, JM Financial

## Valuation Bands

**Exhibit 9. P/B**



Source: Company, JM Financial

**Exhibit 10. EV/EBITDA**



Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Sales	1,55,225	1,70,500	1,84,152	1,90,935	2,02,525	
Sales Growth	16.9%	9.8%	8.0%	3.7%	6.1%	
Other Operating Income	0	0	0	0	0	
<b>Total Revenue</b>	<b>1,55,225</b>	<b>1,70,500</b>	<b>1,84,152</b>	<b>1,90,935</b>	<b>2,02,525</b>	
Cost of Goods Sold/Op. Exp	91,450	99,780	1,06,263	1,10,677	1,15,459	
Personnel Cost	11,892	12,130	14,166	14,600	14,982	
Other Expenses	17,628	19,760	20,011	21,248	22,271	
<b>EBITDA</b>	<b>34,254</b>	<b>38,830</b>	<b>43,711</b>	<b>44,411</b>	<b>49,813</b>	
EBITDA Margin	22.1%	22.8%	23.7%	23.3%	24.6%	
EBITDA Growth	-6.2%	13.4%	12.6%	1.6%	12.2%	
Depn. & Amort.	8,779	12,170	11,272	11,116	12,909	
EBIT	25,476	26,660	32,439	33,295	36,903	
Other Income	3,088	2,510	2,637	2,946	3,198	
Finance Cost	11,172	12,340	12,081	12,486	15,498	
PBT before Excep. & Forex	17,391	16,830	22,996	23,755	24,604	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	17,391	16,830	22,996	23,755	24,604	
Taxes	3,418	2,360	4,599	4,513	4,675	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	545	710	528	568	609	
Reported Net Profit	13,428	13,760	17,869	18,674	19,320	
<b>Adjusted Net Profit</b>	<b>13,428</b>	<b>13,760</b>	<b>17,869</b>	<b>18,674</b>	<b>19,320</b>	
Net Margin	8.7%	8.1%	9.7%	9.8%	9.5%	
Diluted Share Cap. (mn)	1,332.2	1,330.0	1,330.0	1,330.0	1,330.0	
<b>Diluted EPS (INR)</b>	<b>10.1</b>	<b>10.3</b>	<b>13.4</b>	<b>14.0</b>	<b>14.5</b>	
Diluted EPS Growth	-1.1%	2.6%	29.9%	4.5%	3.5%	
Total Dividend + Tax	6,040	6,060	6,060	6,060	6,060	
Dividend Per Share (INR)	4.5	4.6	4.6	4.6	4.6	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Profit before Tax	17,391	16,830	22,996	23,755	24,604	
Depn. & Amort.	8,779	12,170	11,272	11,116	12,909	
Net Interest Exp. / Inc. (-)	10,250	11,170	9,444	9,540	12,300	
Inc (-) / Dec in WCcap.	-13,410	-12,050	-10,889	-3,615	-5,008	
Others	-246	-90	0	0	0	
Taxes Paid	-2,980	-4,510	-4,599	-4,513	-4,675	
<b>Operating Cash Flow</b>	<b>19,784</b>	<b>23,520</b>	<b>28,223</b>	<b>36,283</b>	<b>40,130</b>	
Capex	-6,910	-7,650	-7,205	-25,305	-56,055	
Free Cash Flow	12,874	15,870	21,018	10,978	-15,925	
Inc (-) / Dec in Investments	3,970	370	0	0	0	
Others	-2,510	1,640	2,637	2,946	3,198	
<b>Investing Cash Flow</b>	<b>-5,450</b>	<b>-5,640</b>	<b>-4,568</b>	<b>-22,359</b>	<b>-52,857</b>	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	-6,040	-6,060	-6,060	-6,060	-6,060	
Inc / Dec (-) in Loans	-4,730	9,300	-1,505	13,949	37,651	
Others	-10,175	-19,660	-12,081	-12,486	-15,498	
<b>Financing Cash Flow</b>	<b>-20,945</b>	<b>-16,420</b>	<b>-19,645</b>	<b>-4,597</b>	<b>16,093</b>	
<b>Inc / Dec (-) in Cash</b>	<b>-6,611</b>	<b>1,460</b>	<b>4,010</b>	<b>9,327</b>	<b>3,366</b>	
Opening Cash Balance	32,495	25,884	27,110	31,120	40,447	
Closing Cash Balance	25,884	27,110	31,120	40,447	43,813	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Shareholders' Fund	1,09,102	1,14,450	1,26,259	1,38,873	1,52,133	
Share Capital	1,332	1,330	1,330	1,330	1,330	
Reserves & Surplus	1,07,770	1,13,120	1,24,929	1,37,543	1,50,803	
Preference Share Capital	0	0	0	0	0	
Minority Interest	4,790	5,400	5,928	6,496	7,104	
Total Loans	1,42,628	1,43,630	1,42,126	1,56,075	1,93,726	
Def. Tax Liab. / Assets (-)	42,795	41,230	41,230	41,230	41,230	
<b>Total - Equity &amp; Liab.</b>	<b>2,99,315</b>	<b>3,04,710</b>	<b>3,15,542</b>	<b>3,42,673</b>	<b>3,94,193</b>	
Net Fixed Assets	2,27,741	2,22,420	2,18,353	2,32,543	2,75,688	
Gross Fixed Assets	3,08,341	3,14,855	3,22,060	3,47,365	4,03,421	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	82,005	94,175	1,05,447	1,16,563	1,29,472	
Capital WIP	1,404	1,740	1,740	1,740	1,740	
Investments	1,400	1,200	1,200	1,200	1,200	
Current Assets	1,26,941	1,46,390	1,62,153	1,75,683	1,84,694	
Inventories	8,802	8,780	16,204	16,801	17,821	
Sundry Debtors	21,915	22,560	26,889	30,495	35,120	
Cash & Bank Balances	25,884	27,110	31,120	40,447	43,813	
Loans & Advances	78	6,810	6,810	6,810	6,810	
Other Current Assets	70,262	81,130	81,130	81,130	81,130	
Current Liab. & Prov.	56,766	65,300	66,164	66,752	67,390	
Current Liabilities	34,319	14,780	15,644	16,232	16,870	
Provisions & Others	22,447	50,520	50,520	50,520	50,520	
Net Current Assets	70,175	81,090	95,989	1,08,930	1,17,305	
<b>Total - Assets</b>	<b>2,99,315</b>	<b>3,04,710</b>	<b>3,15,542</b>	<b>3,42,673</b>	<b>3,94,193</b>	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Margin	8.7%	8.1%	9.7%	9.8%	9.5%	
Asset Turnover (x)	0.6	0.6	0.7	0.7	0.6	
Leverage Factor (x)	2.5	2.5	2.4	2.2	2.3	
RoE	12.9%	12.6%	15.2%	14.7%	13.9%	

Key Ratios						
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
BV/Share (INR)	81.9	86.1	94.9	104.4	114.4	
ROIC	9.4%	10.1%	11.0%	10.9%	10.9%	
ROE	12.1%	11.8%	14.2%	13.5%	12.7%	
Net Debt/Equity (x)	1.1	1.0	0.9	0.8	1.0	
P/E (x)	18.3	17.8	13.7	13.1	12.7	
P/B (x)	2.2	2.1	1.9	1.8	1.6	
EV/EBITDA (x)	10.7	9.5	8.3	8.3	8.1	
EV/Sales (x)	2.4	2.2	2.0	1.9	2.0	
Debtor days	52	48	53	58	63	
Inventory days	21	19	32	32	32	
Creditor days	35	37	37	37	37	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
14-Dec-22	Buy	100	
11-Jan-23	Buy	100	0.4
14-Feb-23	Buy	100	0.0
22-May-23	Buy	100	0.0
6-Aug-23	Buy	100	-0.3
9-Nov-23	Buy	100	0.0
20-Jan-24	Hold	130	30.6
24-May-24	Buy	163	24.8
9-Aug-24	Buy	201	23.5

Recommendation History





## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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