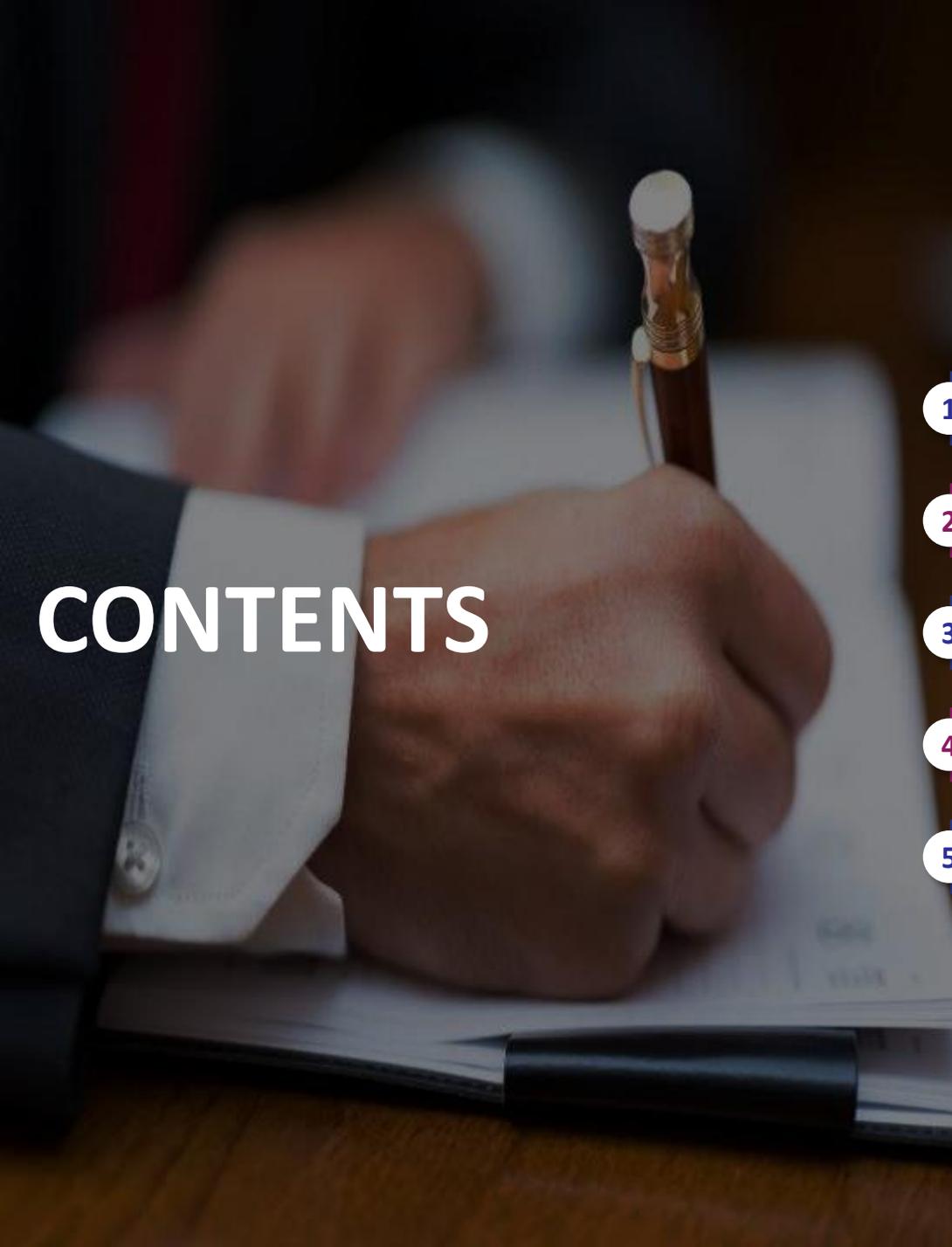




REPORT ON POWER SECTOR

Merchant Power - Can It Handle Bouncy Cooling Demand?

July 2025



CONTENTS

1	Executive Summary	<u>03</u>
2	Muggy Demand? - Form Is Temporary, Class Is Permanent	<u>04</u>
3	A Six-Year Powerplay: Capacities to Come Up at High Rate	<u>12</u>
4	Curating the Financial Pitch: Controlling the Economy Rate	<u>19</u>
5	Annexure	<u>21</u>

EXECUTIVE SUMMARY

Power demand in Q1FY26 mellow in the shadow of early rains... cooling demand swing playing a large role

Energy supplied is down by 1.5% y/y in Q1FY26 – the first decline seen in Q1 since FY16 (barring COVID-19 impacted FY21). This is as 60% of the days in Q1FY26 saw above normal rainfall, dipping the mercury. Conversely, there were only 12 days in which both maximum temperature and humidity were above normal levels. These trends point towards the halo of cooling requirement on power demand, which is only set to grow in the future. *Given the volatile nature of weather driven demand, this could pressure the financials of high-cost players in lean years, with them having to opportunistically play the merchant market during peak times to salvage their RoE*

From energy demand to peak power demand to peak mismatch: evolving power exchange narrative tells a storage story

The highest price on exchange in recent times is no longer during the morning or evening peak, but late in the night, typically between 8 PM – 12 midnight, when the significant ramp down of solar supplies is met with increasing cooling demand. This creates a large mismatch, pushing spot prices towards the ceiling, even as average prices are drifting downwards. *Our study of the RTM market shows that an average day in May'25 saw supply 10% below demand during this time of the day, with the worst-case scenario seeing 90% shortfall. Contrast this to the fact that supply is 2.8x demand during 7:00 AM – 5:00 PM (solar generation hours), the need for storage is amply clear to make best use of existing VRE capacities.*

Capacity additions continue unabated, share of renewables in generation is expected to catch up in the next few years

Additions continue at an annualised pace of ~30 GW, of which a majority is solar. *Utility solar addition pace is expected to saturate at current levels of 25-30 GW/year since the pace is sufficient to meet the target set, there is an increasing focus on load-oriented tenders (FDRE, RTC etc.) thereby reducing solar tender share to less than 50% in FY25, and ample non-utility capacity is coming up. On the generation front, heavy lifting is needed as share still remains in the low teens. Share of RE in generation will surge in coming years due to proliferation of higher CUF tracking bifacial modules, resurgence of wind which has higher CUF, and development of storage systems which will use excess solar supply effectively.*

New VGF scheme indicates a coming-of-age, reducing incentive trajectory to not cause tariff upheaval as industry matures

Recognising these realities, the Union unveiled the next phase of its popular VGF scheme for standalone BESS projects. The contours of this 30 GWh scheme remain similar to the first tranche of 13 GWh, with the critical difference of incentive being capped at Rs. 1.8 mn/MWh (earlier lower of 30% of project cost or Rs. 2.7 mn/MWh). Significant tendering is left even in earlier phases, however, the *reduction in VGF is expected to drive up tariffs by ~10%. Given the trajectory of battery prices, this may be comfortably absorbed within the next few months. We believe that incentives will gradually be withdrawn as capex costs reduce to maintain tariffs near current levels as these are competitive with alternates.*

Conclusion of key DISCOM schemes to impact credit growth of key FIs

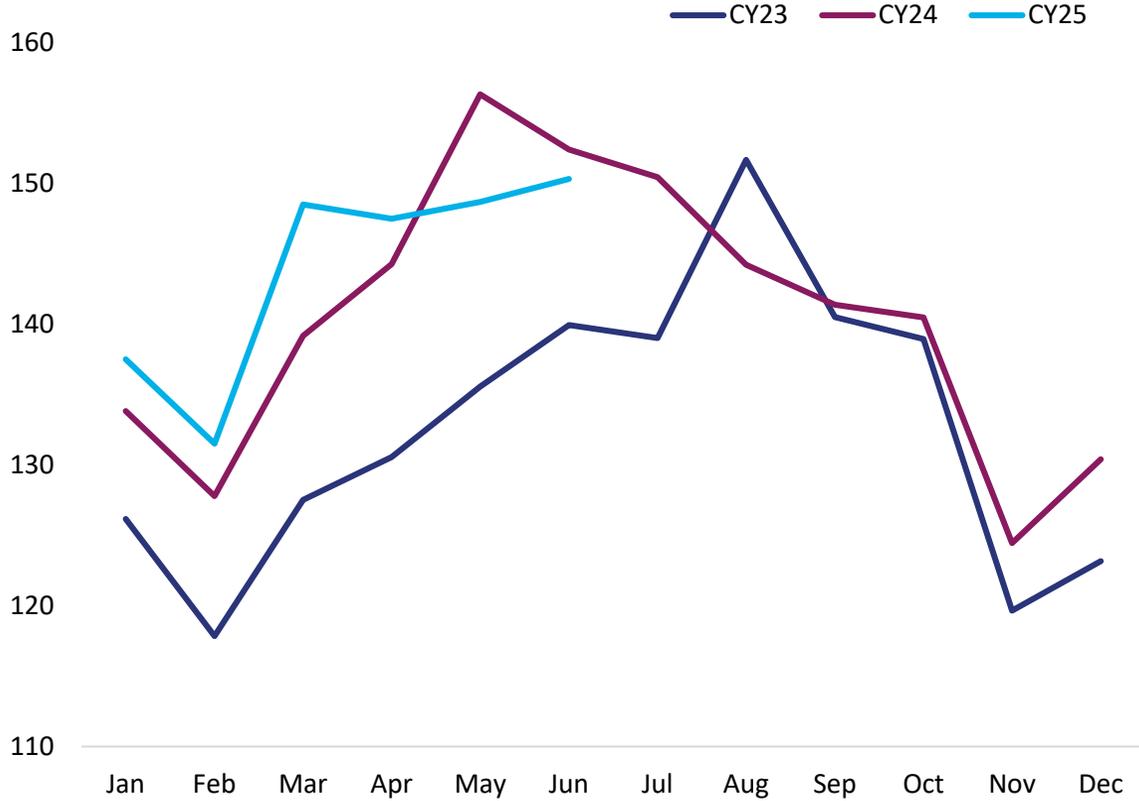
The final piece of the jigsaw which has oft forced the industry to shake up the whole puzzle has always been T&D. Transmission additions need to accelerate significantly to enable renewable tie ups, and we are already seeing several RE projects stranded for lack of connectivity. Some are even exploring doing away with transmission dependence and developing localised grids with storage. On the distribution front, while aggregate statistics of DISCOMs remain middling, some progress has been made through RDSS and LIS/LPS which are reaching their sunset. *Importantly, with RE lending not picking up fast enough to replace the significant DISCOM credit which was being extended in the past few years, major FIs could see slower growth in the medium term.* With various moving parts, the funding ecosystem remains vibrant to support the rapid growth of the sector.

MUGGY DEMAND? - FORM IS TEMPORARY, CLASS IS PERMANENT

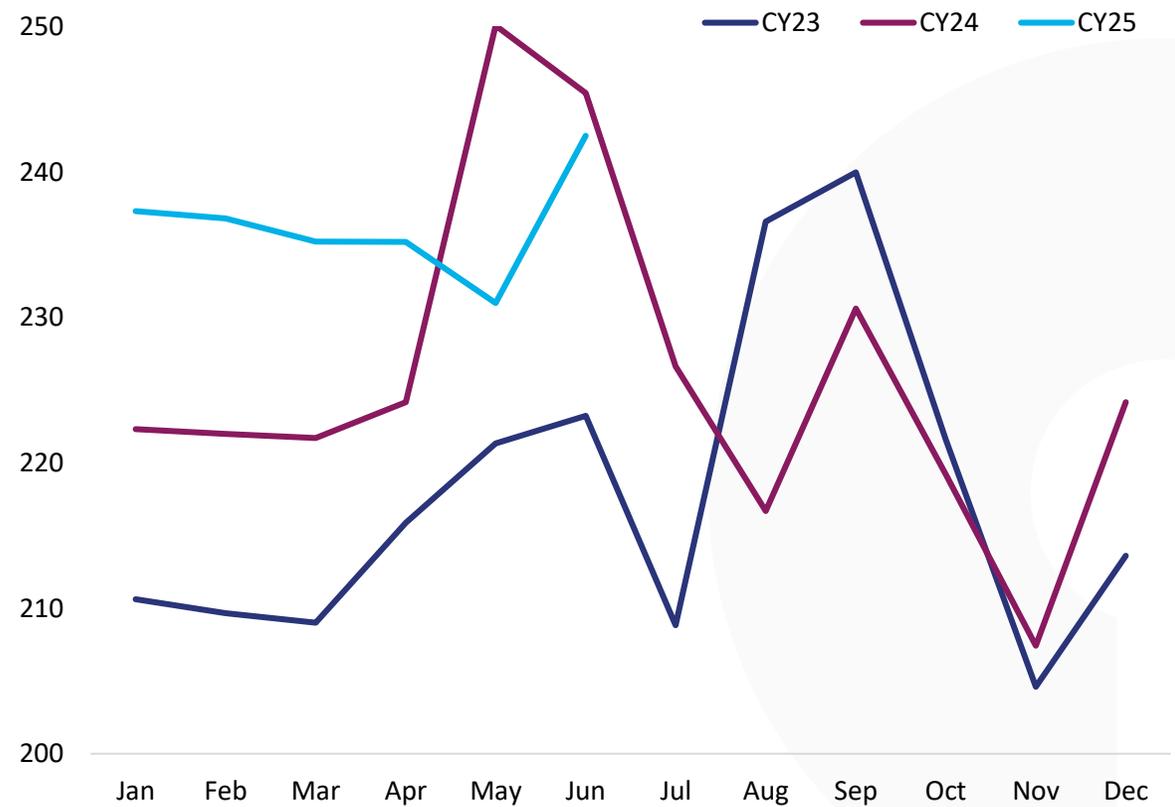


EARLY MONSOON DAMPENS POWER DEMAND IN Q1

ENERGY SUPPLY (BU)



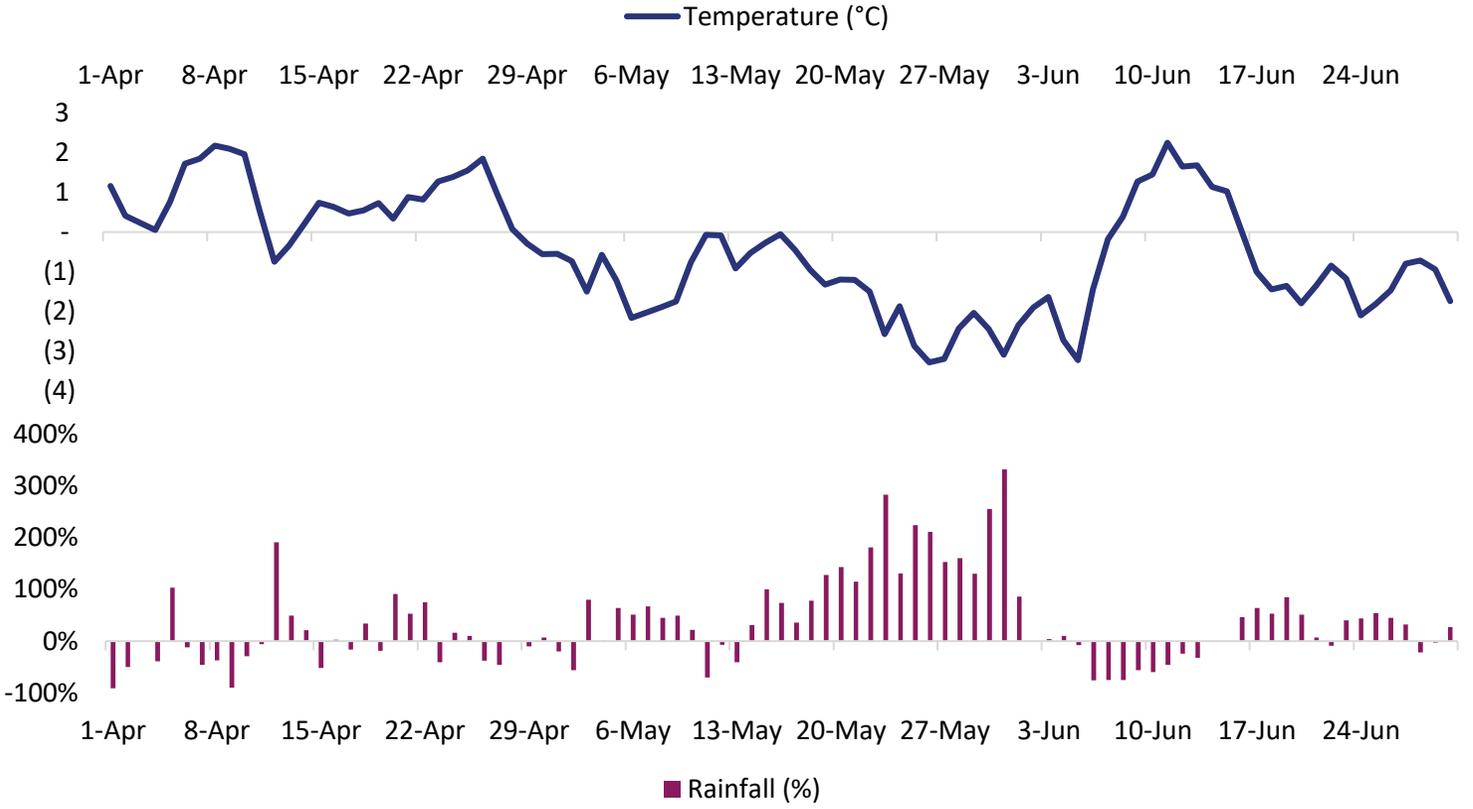
PEAK POWER DEMAND (GW)



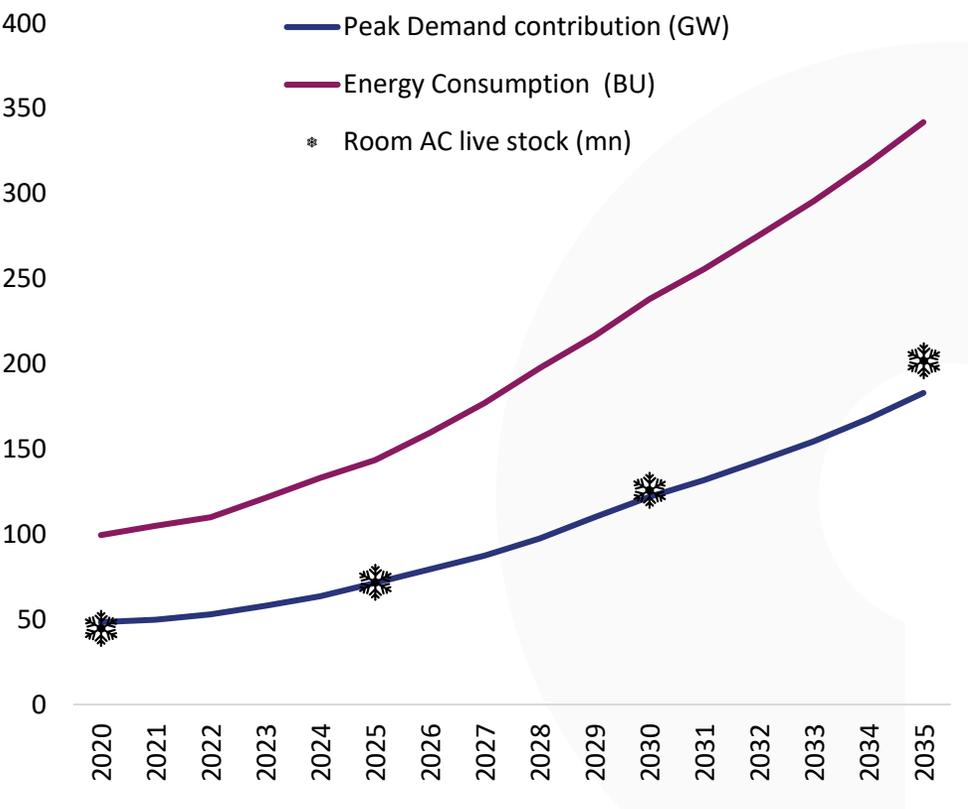
- Energy supplied is down by 1.5% y/y in Q1FY26 – the first decline seen in Q1 since FY16 (barring COVID-19 impacted FY21). This comes after FY25 saw moderate growth in energy supply despite having a bright Q1
- Notably, annual peak demand, which had occurred in May’25 in CY24 did not occur this time. Jun’25 saw select days in which rainfall was less seeing high peak demand, notably touching 241 GW

COOLING DEMAND BECOMING THE KEY VARIABLE IN PEAK DEMAND

WEATHER: DEVIATION FROM NORMAL



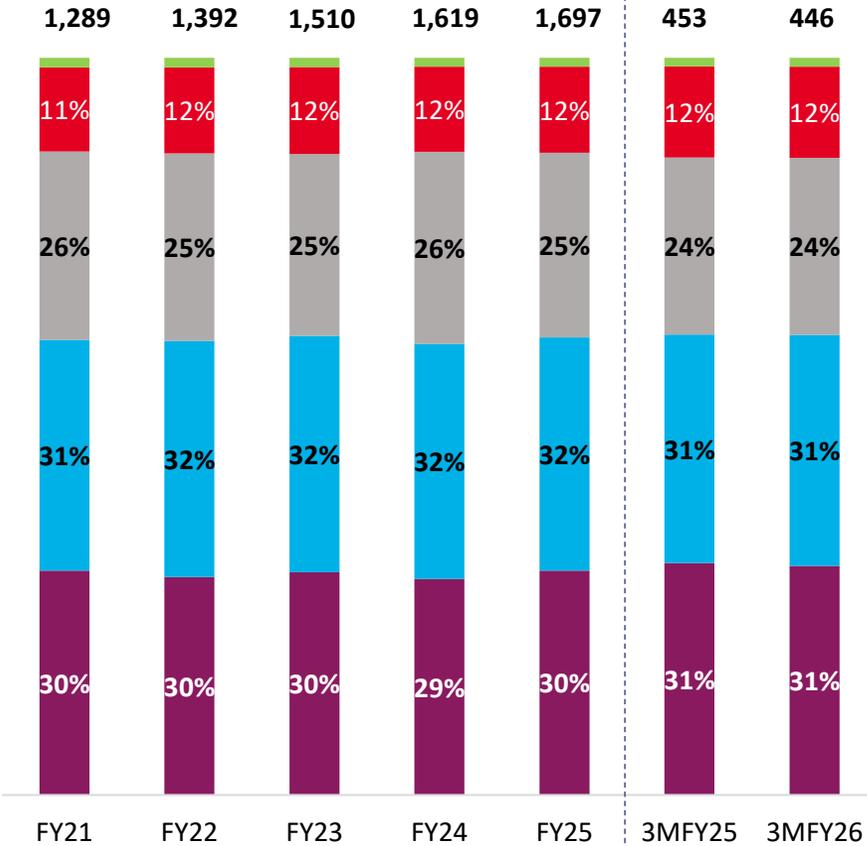
COOLING DEMAND



- 60% of the days in Q1FY26 saw above normal rainfall. Conversely, there were only 12 days in which both max. temperature and humidity were above normal. This reflects the power of cooling demand, and with AC ownership in India mirroring the rise seen in China some decades earlier, room ACs could contribute to nearly 25-30% of the total peak demand by 2035
- Importantly, unlike C&I demand which is predictable, changes in weather can impact cooling demand greatly. This means that volatility in power demand is set to increase in the future. This will pose a challenge to both GENCOS and DISCOMS in accurately forecasting the same and ensuring projects remain viable through lean periods

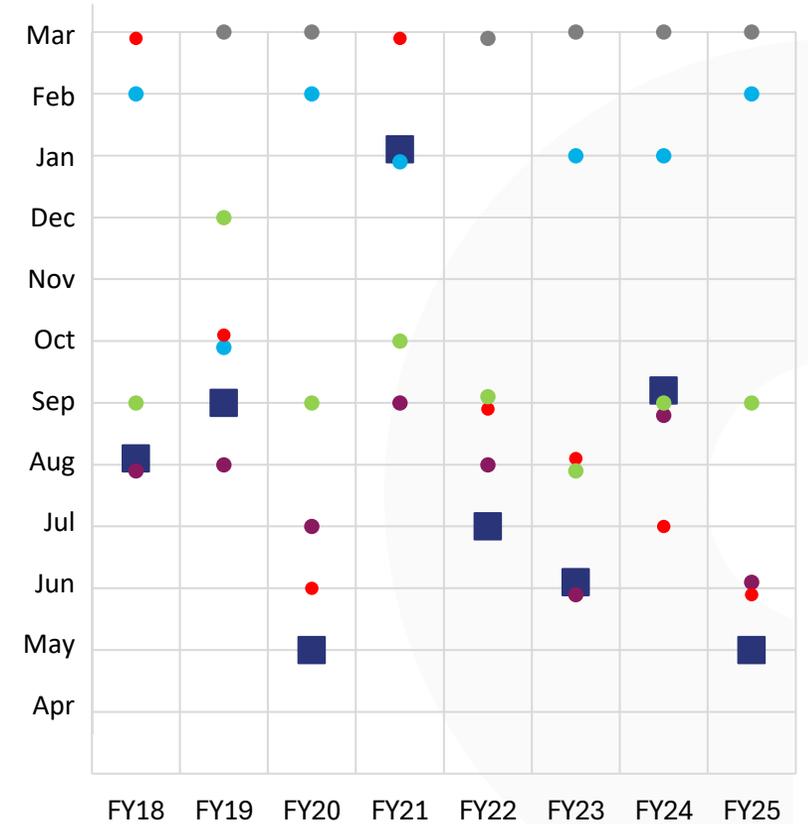
EXCESS RAINFALL DEPRESSES PEAK IN NORTH INDIA

REGION WISE ENERGY SUPPLY (BU)



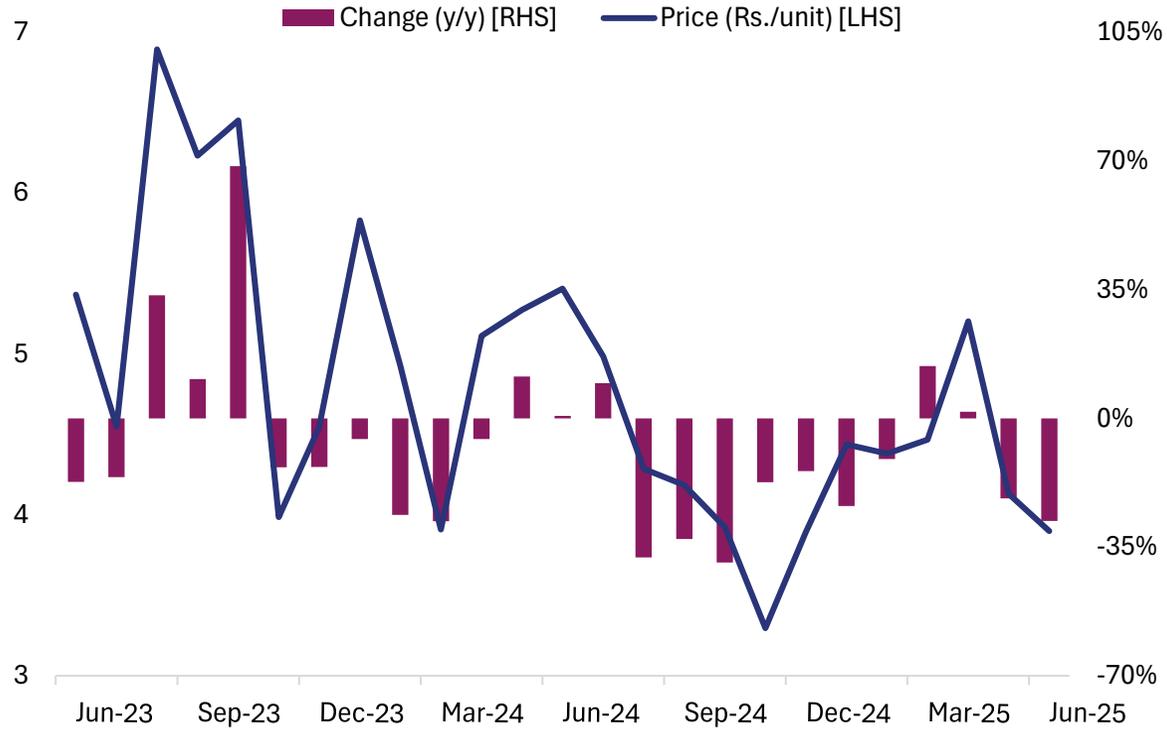
- Decrease in energy supply was profound in NR due to unprecedented rainfall. All regions showed decline barring NER
- Regions where domestic consumption dominates (NR, ER) tend to have peaks in H1 of FY, while those where industrial capacities dominate have them in Q4 (WR, SR)
- Due to increasing share of domestic consumption in overall power, NR domestic consumption drives national peak

REGION WISE PEAK DEMAND

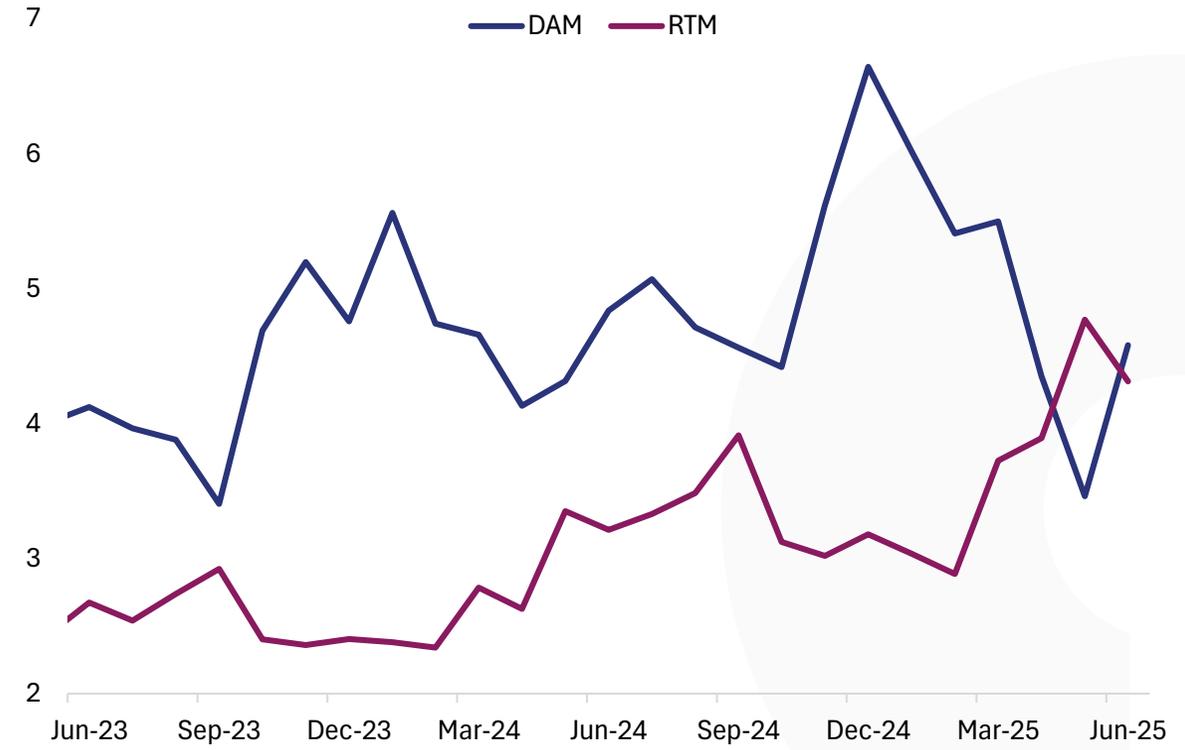


EXCHANGE PRICES DIP TOWARDS NORMALCY

DAM PRICE AND CHANGE



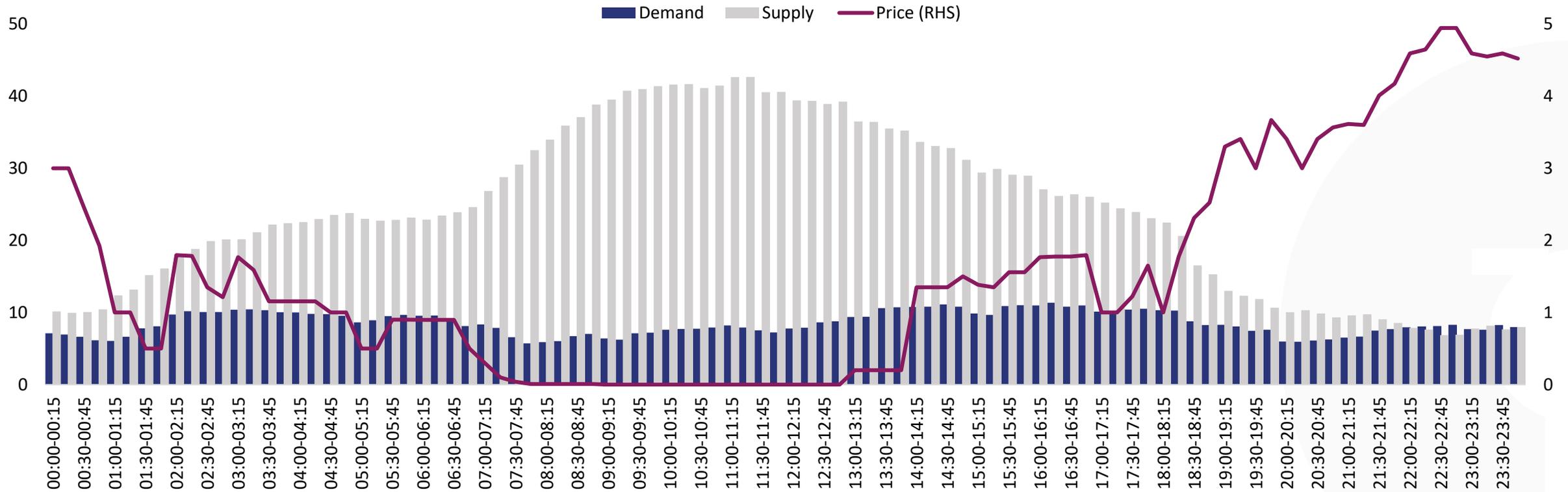
VOLUME IN DAM AND RTM MARKET (BU)



- After close to 3-years at elevated levels, spot prices on exchange are dipping towards the long-term mean of Rs. 3.71/kWh, with 9 of the last 10 months showing degrowth. This is attributable to the following factors:
 - Moderate growth in demand in CY24 and YTDCY25 owing to healthy monsoons dipping temperatures during seasons of maximum cleared volume
 - Fair pace of supply additions. Further, most of the additions have come in renewables which have a lower LCOE vs. thermal, naturally reducing prices
 - Improved liquidity due to generally larger volumes on both supply and demand side on exchanges, along with competition amongst exchanges
- This could put into jeopardy merchant capacities, particularly those operating at higher variable cost. RE players could be most affected

SHARP DIURNAL SPOT PRICE DIFFERENTIALS MAKE A CASE FOR STORAGE

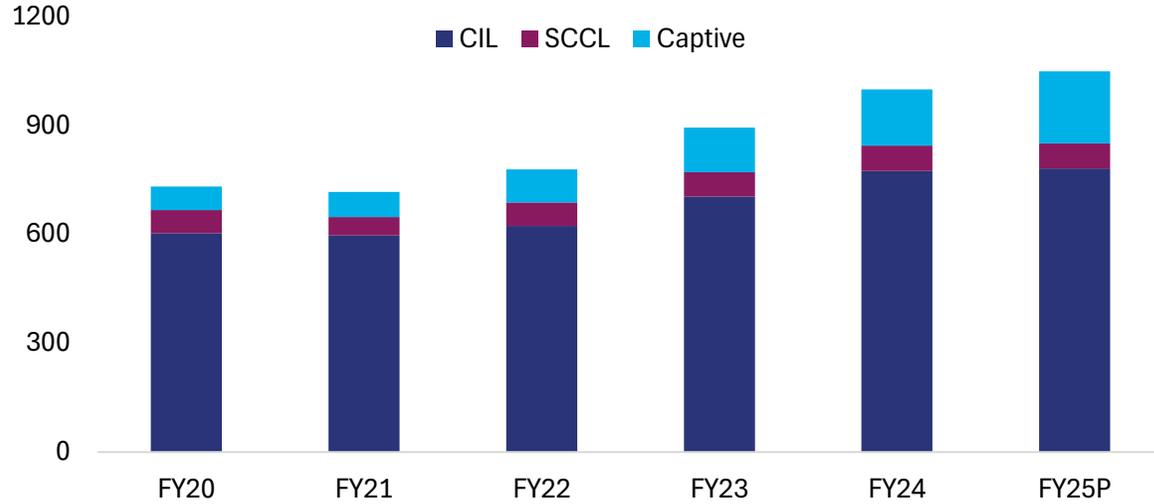
RTM MARKET ON 25 MAY'25 (GW, Rs./unit)



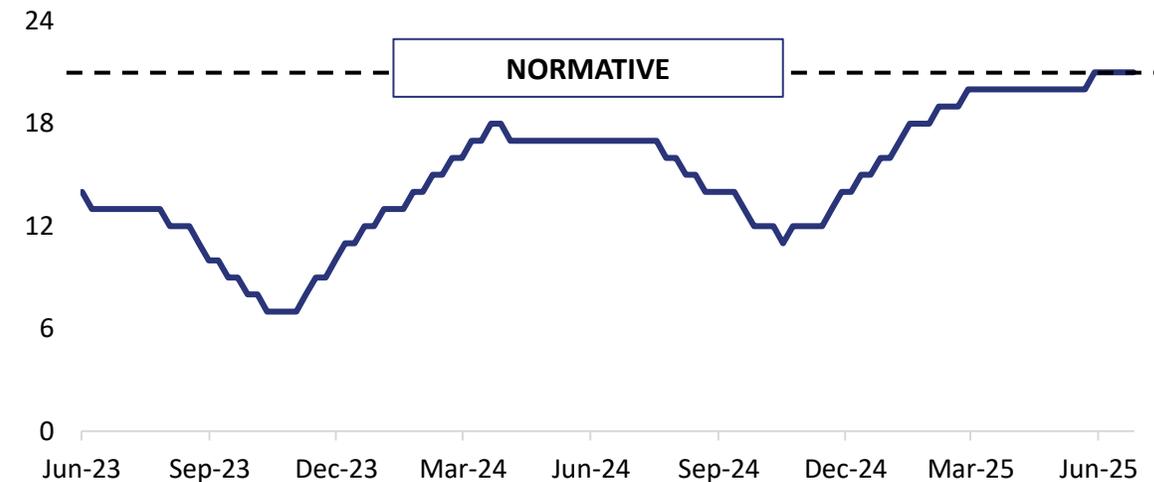
- While average power prices remained in check, the devil lies in the details. Several days saw RTM spot power prices reaching close to Rs. 0/unit, before surging back up towards the ceiling. This is becoming a standard feature of summer months (Apr-Oct) which sees a late peak in prices due to cooling demand
- Winter months (Nov-Mar) see a different price pattern during the day, experiencing two smaller peaks early morning and early evening broadly in line with overall electricity demand peak. Being a tropical country, winter peaks are of less consequence to the power grid
- Notably, the differential in pricing is now on-par with BESS tariffs (without VGF) indicating that storage has become viable and necessary

AMPLE COAL STOCKS BUILD UP ON LOW DEMAND

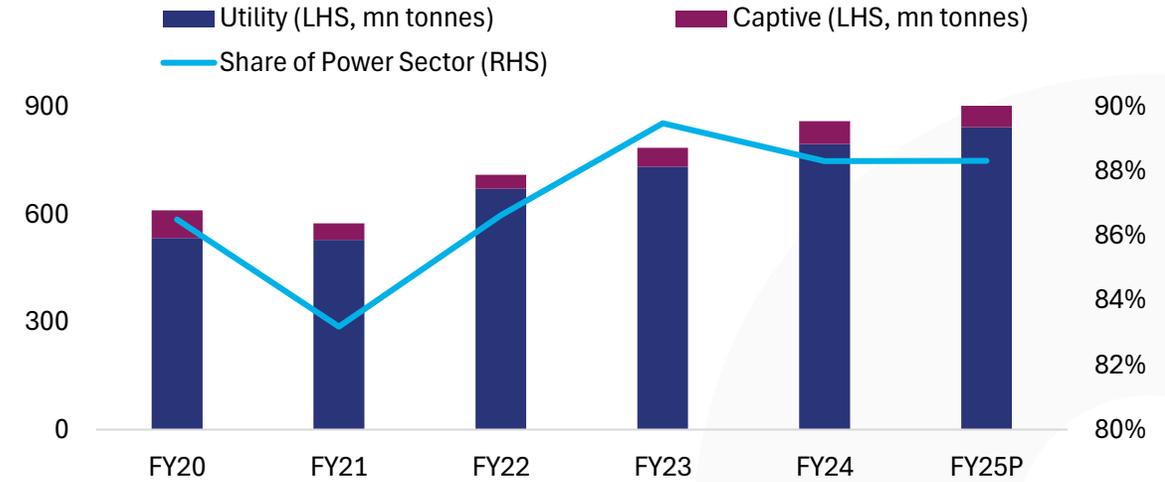
COAL PRODUCTION (mn tonnes)



COAL STOCK AT POWER PLANTS (DAYS)



COAL DESPATCH AND SHARE TO POWER SECTOR

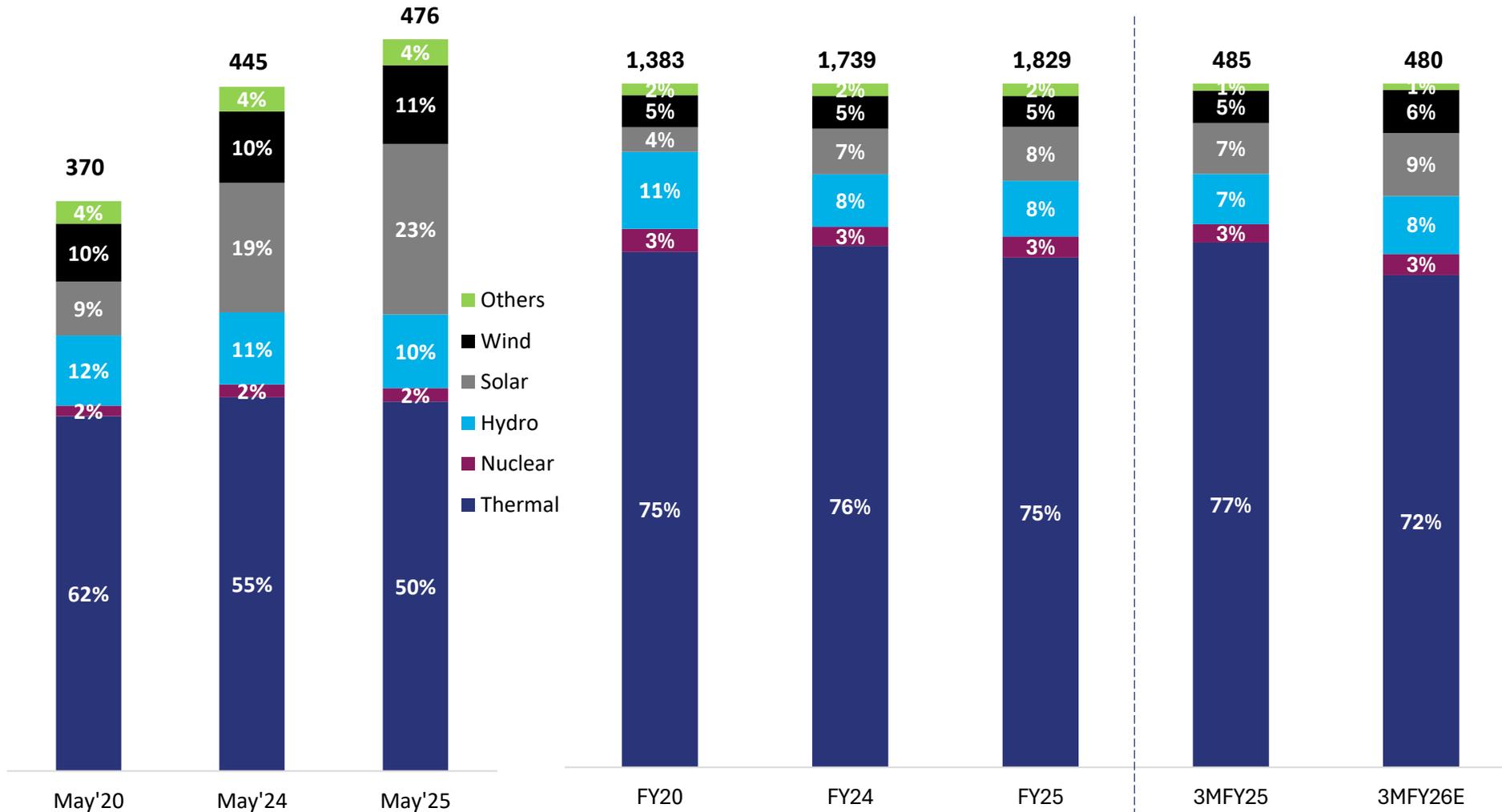


- Coal production cause 1 bn tonnes in FY25 helped by excellent contribution from captives. CIL remains the largest contributor with Rs. 160 bn capex announced for FY26
- Coal imports, which had fallen in FY25, saw a sharp rise in 2MFY26, with May'25 seeing them at an 18-month high. Global coal prices remain down on-year
- Coal stock at power plants has reached normative level (of 21 days) for the first time since Jan'21, after teetering to a low of 4 days during Oct'21

CAPACITY ADDITIONS CONTINUE AT SOLID PACE

INSTALLED CAPACITY (GW)

GENERATION BY SOURCE (BU)



- A lion's share of additions constitute solar. This means share of solar in generation has doubled in 5 fiscals
- Share of renewables in generation is increasing but continues to lag thermal owing to lower CUF

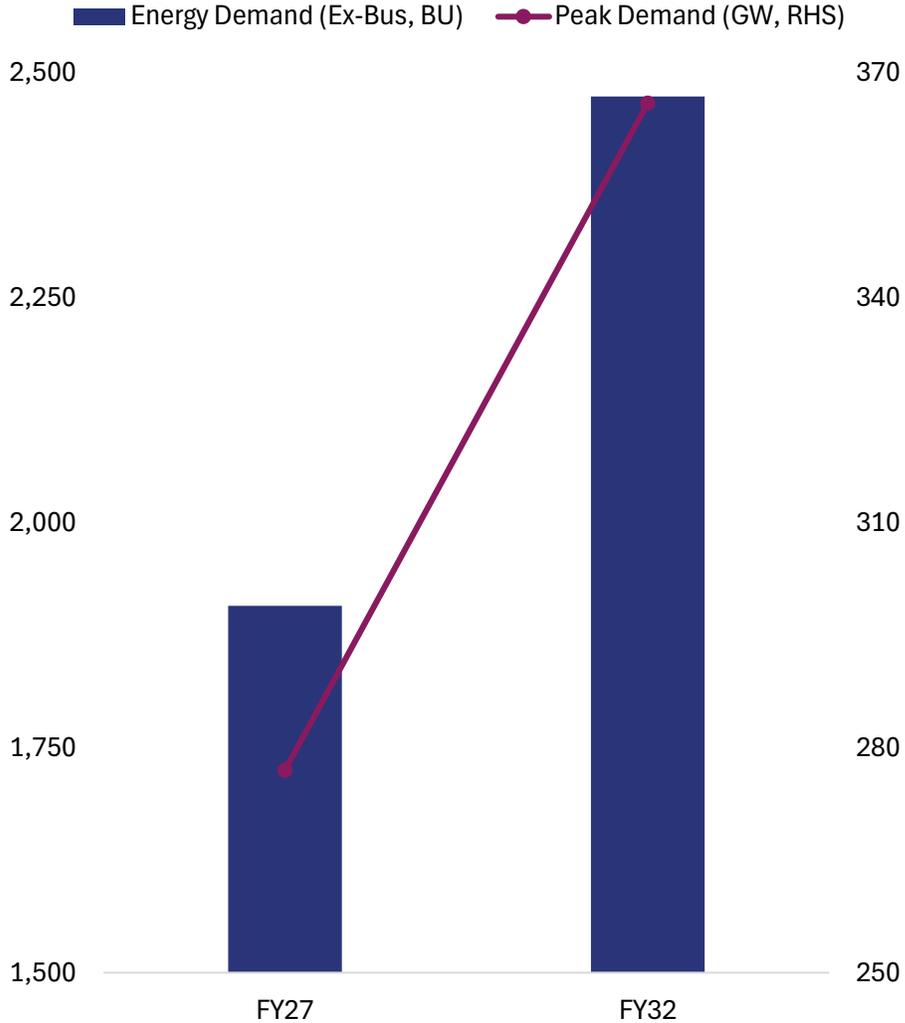
02

A SIX-YEAR POWERPLAY: CAPACITIES TO COME UP AT HIGH RATE

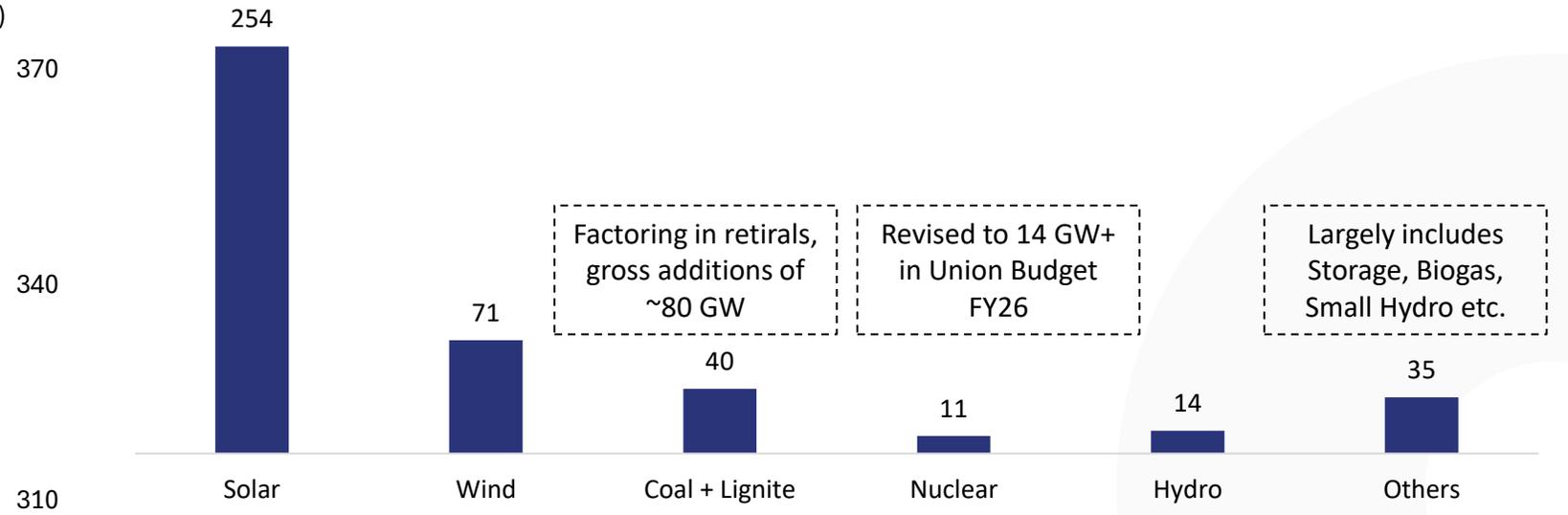


HOLISTIC CAPACITY ADDITIONS NEEDED FOR A LOAD-CENTRIC POWER SYSTEM

TOTAL DEMAND AND ENERGY SUPPLY



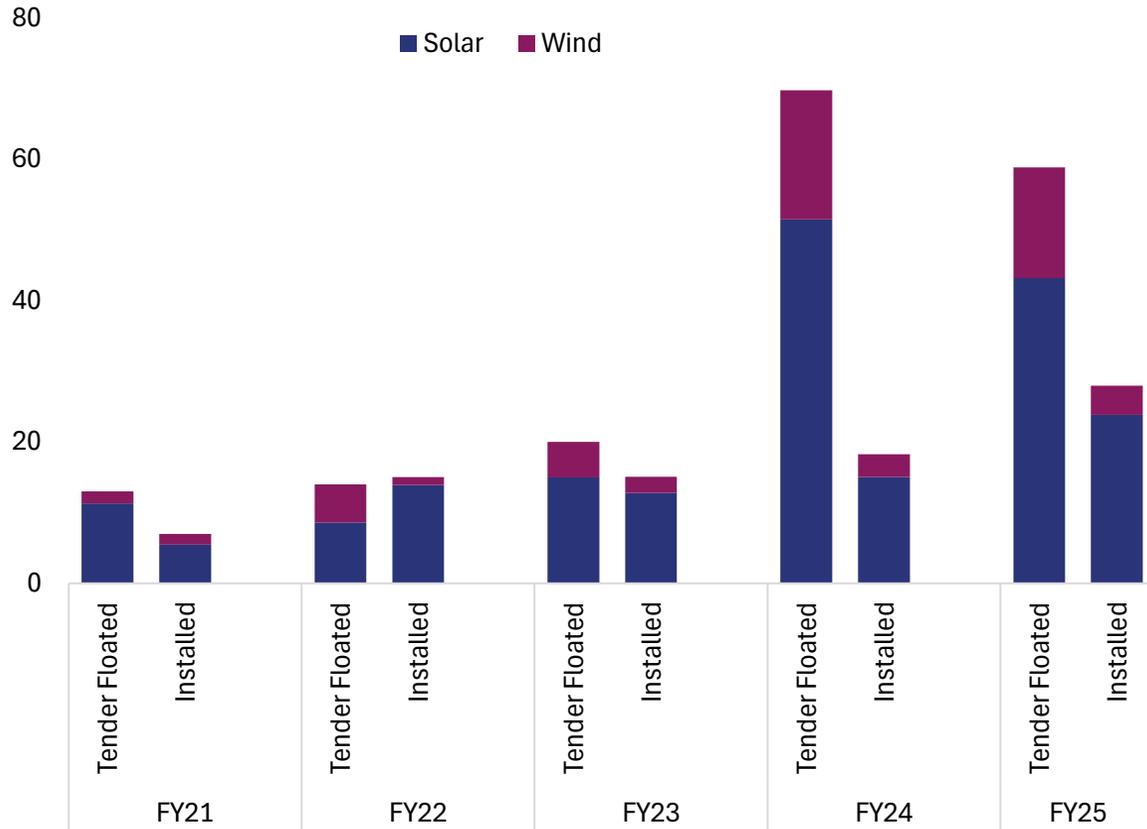
PLANNED NET CAPACITY ADDITIONS TILL MAR'32 (vs. MAY'25) (GW)



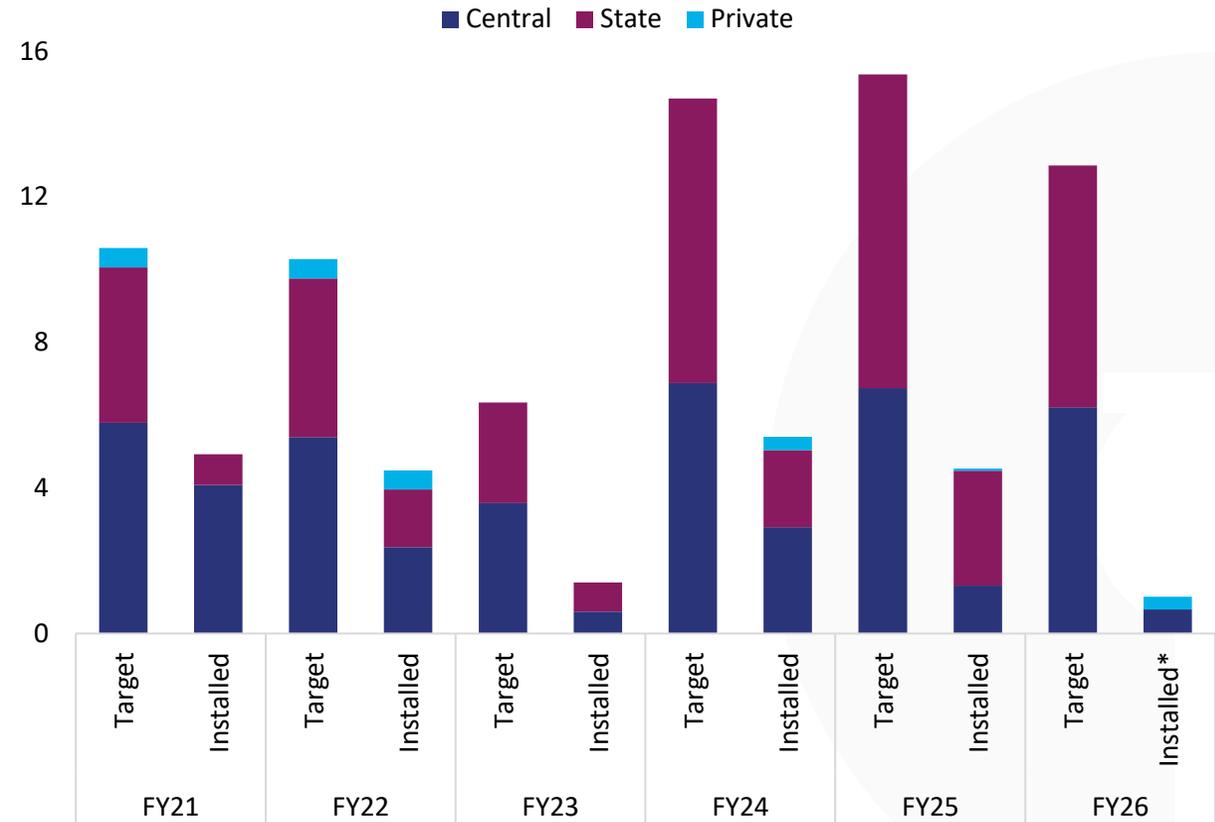
- Peak demand is expected to grow at a faster pace than energy requirement. This means that capacity addition must be focussed on load profile. This has created a renewed emphasis on thermal and nuclear, which have seen upward revisions in targets
- Importance of wind is increasing due to its high oversizing requirement in oversizing projects (typically greater than solar or storage)
- New avenues of demand such as green hydrogen, data centres, EV will become important in the next decade. Presently, additional cooling demand is rapidly growing with announcements that AC temperatures could be limited to 20 °C

RENEWABLES ARE ON TRACK, OTHER SOURCES NEED A PICKUP

RENEWABLE - TENDERS AND GROSS INSTALLATION (GW)



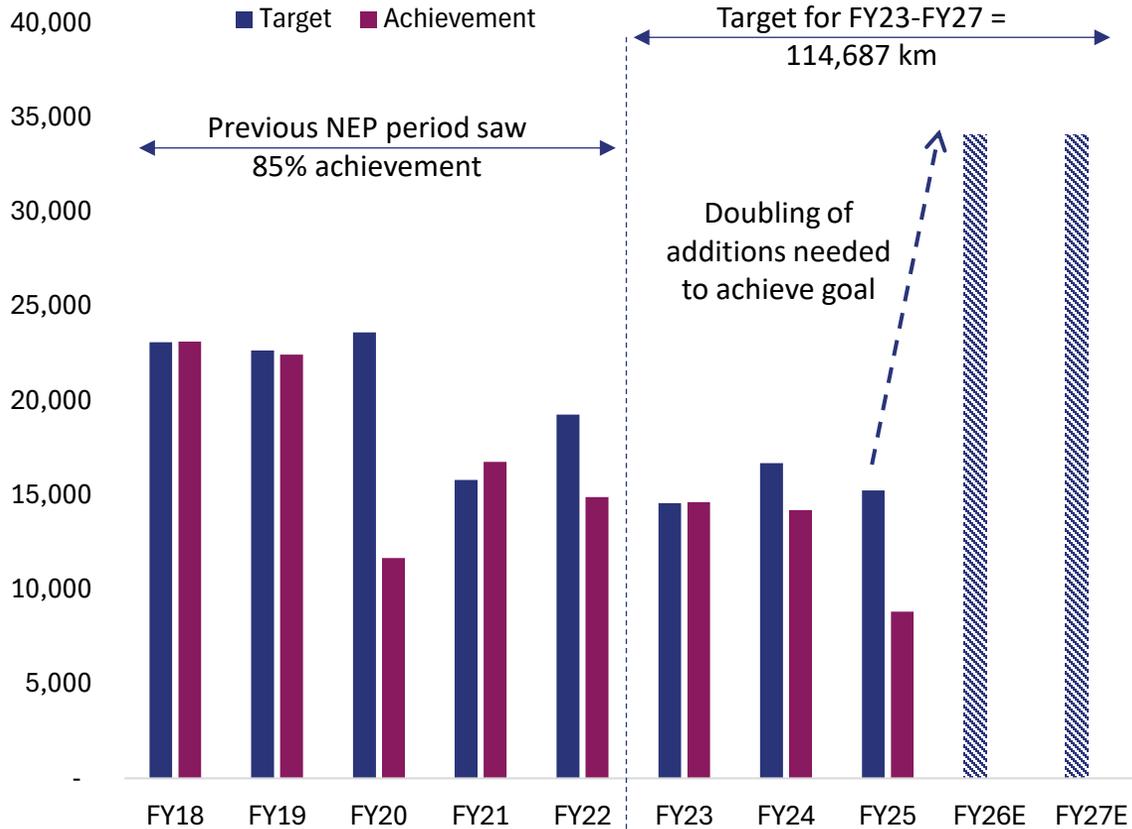
THERMAL GROSS INSTALLATION (GW)



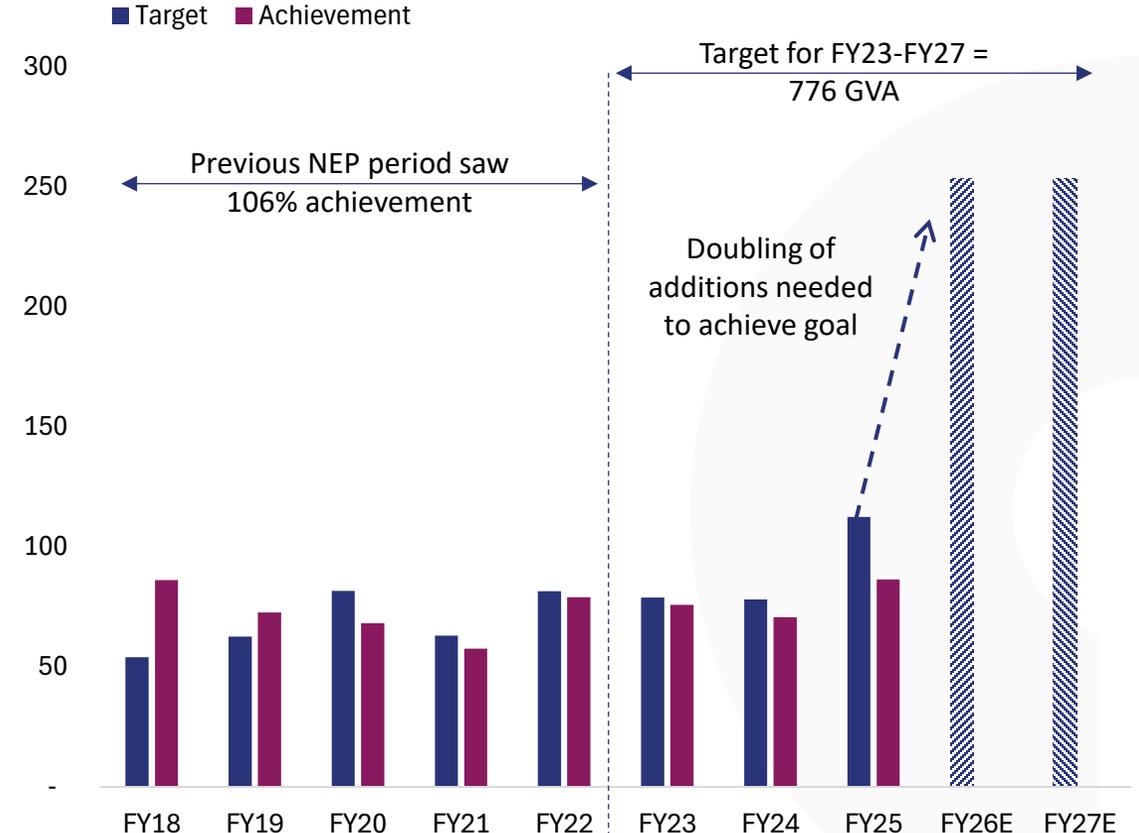
- Renewable tendering continues in full swing, albeit was down on year even as installations picked up. There are some issues regard delays in signing PPAs, land acquisition, and transmission connectivity which is causing issues in certain projects
- Thermal installations have been well below target for multiple years. Key projects expected to come up in FY26 include Units I-IV of Yadadri TPS (3.2 GW) and Units I-II of Patratu STPP (1.6 GW). ~23 GW of projects across the country are in various stages and unlikely to be commissioned

TRANSMISSION: LINE ADDITIONS NEEDED FOR RENEWABLE CONNECTIVITY

TRANSMISSION LINE LENGTH (ckm)



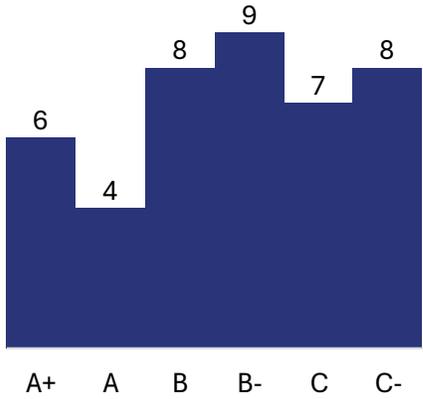
SUBSTATION CAPACITY (GVA)



- To achieve the target set for Mar'27, annual addition pace of both line and substation capacity needs to more than double, and reach levels not seen
- In contrast the pace required to achieve Mar'32 goals (~15,000 ckm/year for lines and ~100,000 MVA for substations) seems reasonable in light of historical trends

DISTRIBUTION: DISCOM HEALTH IS IMPROVING, ALBEIT SLOWLY

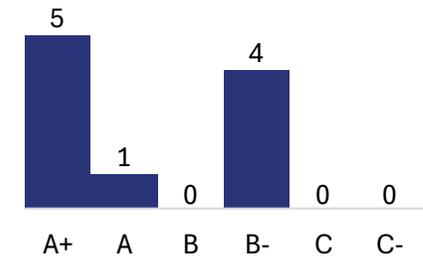
STATE



State DISCOMs typically enjoy a poorer rating profile and suffer more downgrades

		FY24					
		A+	A	B	B-	C	C-
FY23	A+	11	0	0	0	0	0
	A	0	1	1	1	1	0
	B	0	2	1	4	0	0
	B-	0	2	4	4	3	0
	C	0	0	2	4	2	3
	C-	0	0	0	0	1	5

DISCOM RATINGS

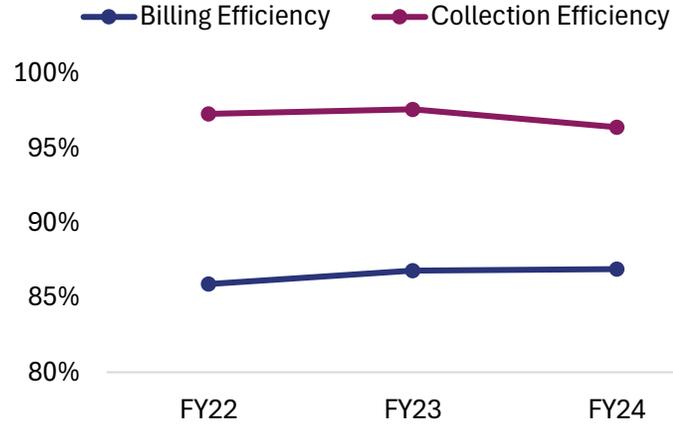


Privatisation has consistently improved operational and financial performance of DISCOMs

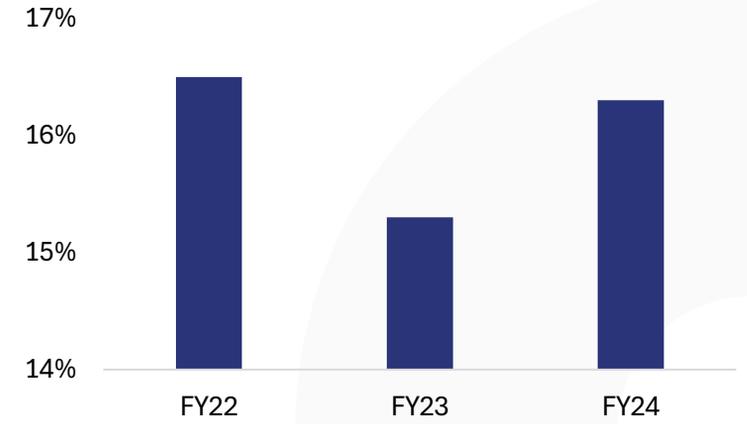
PRIVATE

VITAL STATISTICS OF DISCOMS

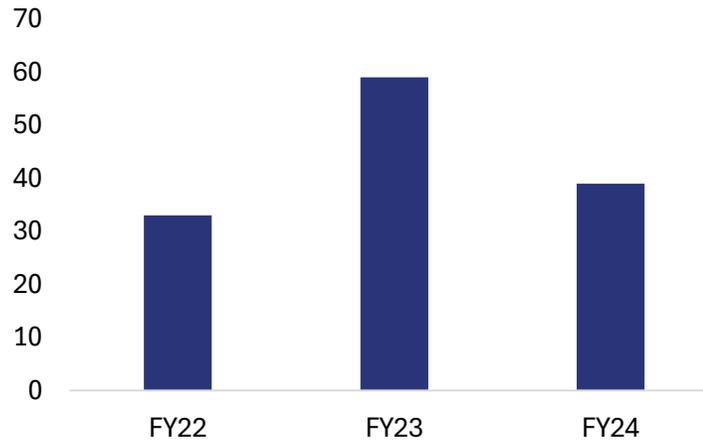
EFFICIENCY



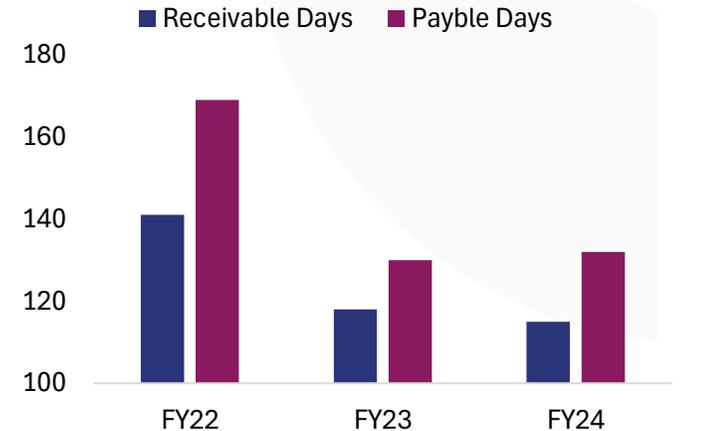
AT&C LOSSES



ACS-ARR GAP (p/kWh)



WORKING CAPITAL

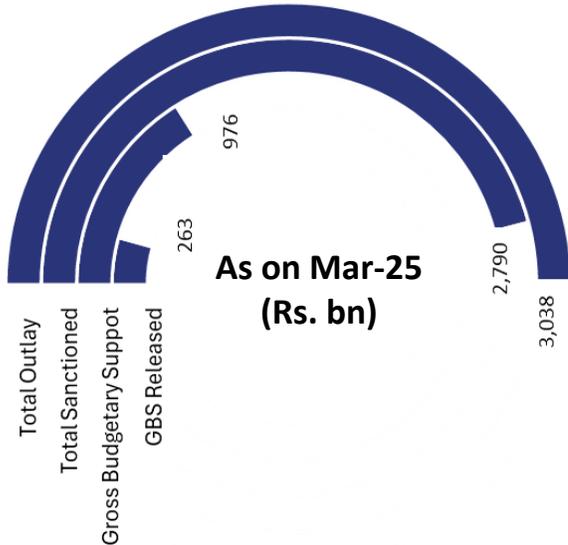


KEY DISTRIBUTION SCHEMES APPROACHING THEIR CONCLUSION

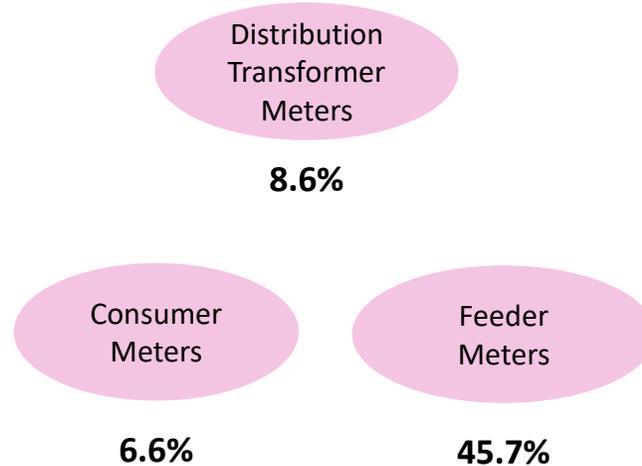
RDSS

- **Objective:** Reach 12-15% AT&C loss and ACS-ARR gap of Rs. 0/unit
- **Components:** Smart metering and distribution infrastructure upgrades
- **Focus:** Reform-based, results-linked financial assistance scheme
- **Implementation:**
 - 5 years from FY22-FY26
 - PFC and REC provide financial assistance
 - Sanctions are at 92%, limited incremental from REC/PFC

Financial Progress



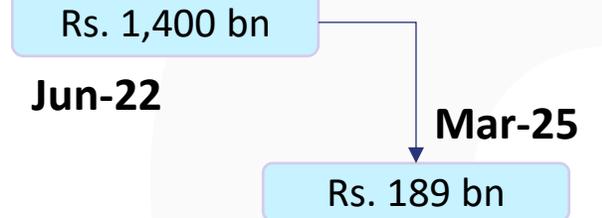
Physical Progress



LPS/LIS

- **Objective:** Provide a clear mechanism for the settlement of outstanding dues owed by DISCOMs. LPS originated from LIS
- **Old Dues Resolution:** All outstanding dues as of 3rd Jun'22 can be paid in up to 48 interest-free EMIs
- **Enforcement:** Non-payment leads to penalties and can trigger regulation of power supply

Central Sector Utilities Dues



RBPF

- **Objective:** Provide revolving credit in form of working capital loan designed to cover immediate payment obligations
- **Mechanism:** Short tenor loans of upto 12 months with provision for renewal upto 5 years. Helps DISCOMs avoid late payment surcharge
- **Status:** Is an ongoing facility provided by REC and PFC and will continue in the future as well. RBPF o/s continued to grow in FY25

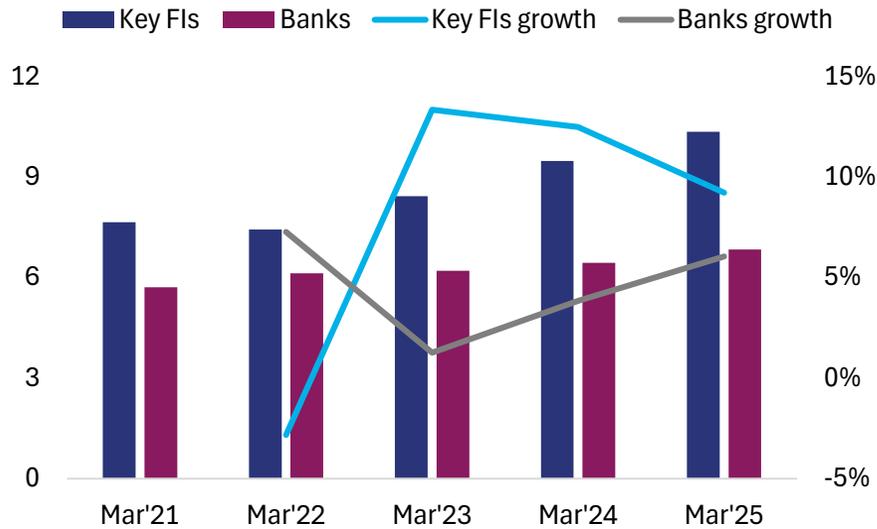
03

CURATING THE FINANCIAL PITCH: CONTROLLING THE ECONOMY RATE



KEY FI COULD SEE MODERATION IN CREDIT, THOUGH CONTINUE LEADING BANKS

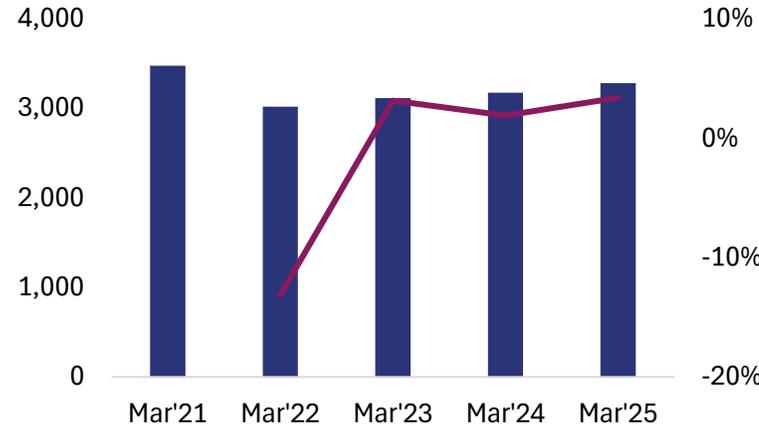
CREDIT OUTSTANDING TO POWER (Rs. trn.)



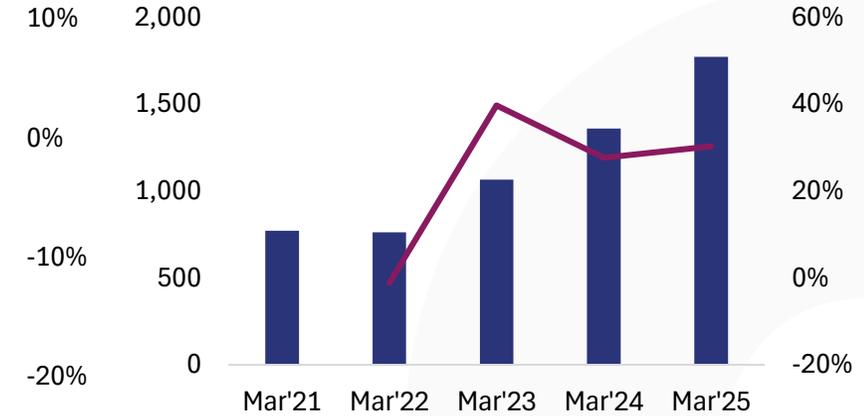
- Power project financing has largely shifted from key FI from banks. Rs. 2.7 trn incremental net loans have been disbursed by them vs. just Rs. 1.1 trn for banks
- Distribution sector was a key driver of growth in loan book for key FIs. However, with conclusion of RDSS and LPS/LIS requirements reducing, further growth may be limited
- Renewables are a huge avenue of growth. However, disbursals are not in line with the lofty targets set out

CREDIT OUTSTANDING (Rs. bn.) AND GROWTH¹ – SEGMENT WISE FOR KEY FIs

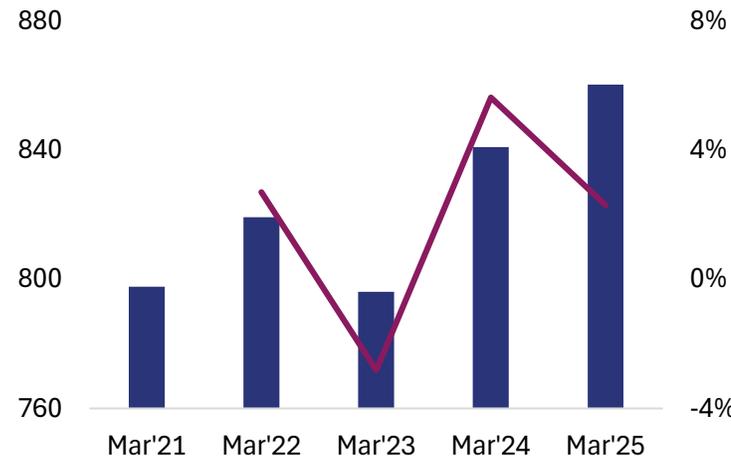
GENERATION - CONVENTIONAL



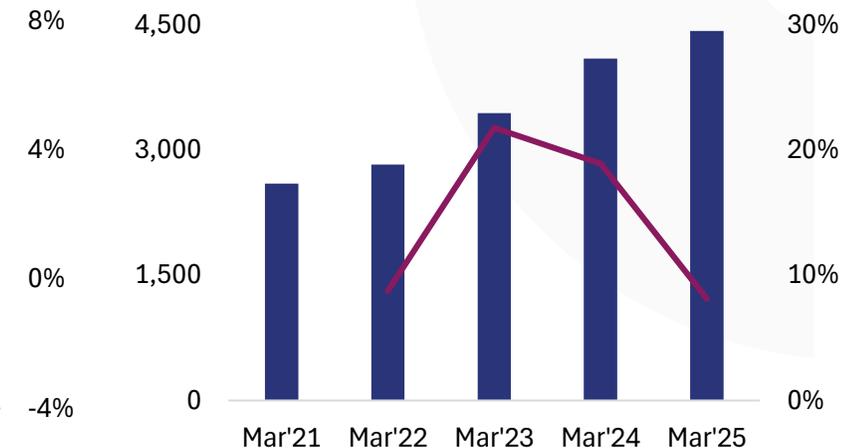
GENERATION - RENEWABLES



TRANSMISSION



DISTRIBUTION



04

ANNEXURE



Item	Explanation
AC	Air Conditioner
ACS	Average Cost of Supply
ARR	Average Revenue Realised
AT&C	Aggregate Technical & Commercial Losses
BESS	Battery Energy Storage System
BU	billion units
CIL	Coal India Limited
cKm	circuit kilometre
CUF	Capacity Utilisation Factor
CY	Calendar Year
DAM	Day Ahead Market
ER	Eastern Region
EV	Electric Vehicles
FI	Financial Institution
FY	Financial Year
GVA	Giga-Volt-Ampere
GW	Giga-Watt
GWh	Giga Watt-hour
H1	First Half
IEX	Indian Energy Exchange
ISTS	Inter-State Transmission System
kWh	kilo Watt-hour
LCOE	Levelised cost of Energy
LHS	Left Hand Side
LIS	Liquidity Infusion Scheme

Item	Explanation
LPS	Late Payment Surcharge
mn	million
MVA	Mega-Volt-Ampere
NEP	National Electricity Plan
NER	North-Eastern Region
NR	Northern Region
PFC	Power Finance Corporation
PPA	Power Purchase Agreement
PSP	Pumped Storage Project
Q	Quarter
RBPF	Revolving Bill Payment Facility
RDSS	Revamped Distribution Sector Scheme
RE	Renewable Energy
REC	Rural Electrification Corporation
RHS	Right Hand Side
RTM	Real Time Market
SCCL	The Singareni Collieries Company Limited
SR	Southern Region
STPP	Super Thermal Power Plant
TPS	Thermal Power Station
trn	trillion
VGF	Viability Gap Funding
WR	Western Region
Y/Y	Year-on-Year
YTD	Year-till-Date

OUR RECENT REPORTS...



ECOCAPSULE
Momentum & Murmurs – Trade Winds, Policy Turns, and Geopolitical Undercurrents

June 2025

Monetary Policy Outlook
Inflation Battle Turns Into A Campaign For Growth

June 2025

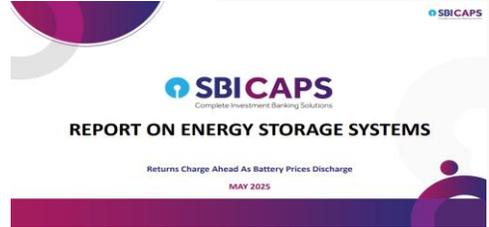


Report on FY25 and Q4FY25 GDP
A Solid Q4 Caps Off Stable Growth In FY25

May 2025

Report on Energy Storage Systems
Returns Charge Ahead As Battery Prices Discharge

May 2025



Report on Banking Sector
Rate Race: Entering The Next Phase of The Banking Cycle

May 2025

ECOCAPSULE
The Calm Before a Storm in The Teacup

May 2025



Report on Power Sector
India's Nuclear Sector - Setting Off The Chain Reaction Towards 100 GW

May 2025

Report on Green Hydrogen
BRIDGING THE GREEN GAP - INVESTIGATION INTO PROJECT ECONOMICS OF GREEN H2

April 2025



Please visit [SBICAPS Research](https://www.sbicaps.com/research) to request these and other Reports, or drop a mail to research@sbicaps.com

Research Analyst(s) Certification

The views expressed in this research report (“Report”) accurately reflect the personal views of the research analysts (“Research Analysts”) employed by SBI Capital Markets Limited (“SBICAPS”), having SEBI Registration No. INH000007429 as Research Analyst, about any and all of the subject issuer(s) or company(ies) or securities. This Report has been prepared based upon information available to the public and sources, believed to be reliable. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this Report.

The Research Analysts engaged in preparation of this Report or his/her relative:-

- a) do not have any financial interests in the subject company mentioned in this Report;
- b) do not own 1% or more of the equity securities of the subject company mentioned in the Report as of the last day of the month preceding the publication of the Report;
- c) do not have any material conflict of interest at the time of publication of the Report.

The Research Analysts engaged in preparation of this Report:-

- a) have not received any compensation from the subject company in the past twelve months;
- b) have not managed or co-managed public offering of securities for the subject company in the past twelve months;
- c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;
- d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;
- e) has not received any compensation or other benefits from the subject company or third party in connection with the Report;
- f) has not served as an officer, director or employee of the subject company;
- g) is not engaged in market making activity for the subject company

Details of Research Analysts

<u>Name</u>	Rajan Jain	<u>Name</u>	Venkatesh Balakrishnan	<u>Name</u>	Soham Bobde
<u>Qualification</u>	PGDBA	<u>Qualification</u>	PGDM	<u>Qualification</u>	MBA
<u>Designation</u>	Head- Credit Research	<u>Designation</u>	Assistant Vice President	<u>Designation</u>	Associate

Details of Research Analyst entity

Name	SBI Capital Markets Limited
Registration Number	INH000007429
Address	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Telephone Number	+91 22 4196 8300
Compliance Officer	Bhaskar Chakraborty
Email id	compliance.officer@sbicaps.com
Telephone Number	+91 22 4196 8542

Registration granted by SEBI, membership of and certification from National Institute of Securities Markets in no way guarantee performance of SBICAPS or provide any assurance of returns to investors.

Other Disclosures:

SBI Capital Markets Limited (“SBICAPS”) is registered with the Securities and Exchange Board of India (“SEBI”) as a “Category I” Merchant Banker and has obtained the Certificate of Registration as Research Analyst from SEBI. SBICAPS is engaged into investment banking, corporate advisory and financial services activities. SBICAPS is a wholly owned subsidiary of State Bank of India (SBI), the largest commercial bank in India. Hence, State Bank of India and all its subsidiaries and all subsidiaries of SBICAPS are treated and referred to as Group Entities of SBICAPS.

We hereby declare that our activities were neither suspended nor we have materially defaulted with any regulatory authority with whom we are registered in last five years. However, SEBI has conducted the routine inspection and based on their observations has issued advice letters from time to time. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time

SBICAPS or its Group Entities, may: (a) from time to time, have long or short position in, and buy or sell the securities of the company mentioned in the Report or (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 discussed herein or act as an advisor or lender/borrower to such company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

SBICAPS does not have actual / beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the Report. However, since Group Entities of SBICAPS are engaged in the financial services business, they might have in their normal course of business financial interests or actual / beneficial ownership of one per cent or more in various companies including the subject company mentioned herein this Report.

SBICAPS or its Group Entities might have managed or co-managed public offering of securities for the subject company in the past twelve months and might have received compensation from the companies mentioned in the Report during the period preceding twelve months from the date of this Report for services in respect of managing or co-managing public offerings/corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction.

Compensation paid to Research Analysts of SBICAPS is not based on any specific merchant banking, investment banking or brokerage service transaction.

SBICAPS or its Group Entities did not receive any compensation or any benefit from the subject company or third party in connection with preparation of this Report.

This Report is for the personal information of the authorized recipient(s) and is not for public distribution and should not be reproduced, transmitted or redistributed to any other person or in any form without SBICAPS’ prior permission. The information provided in the Report is from publicly available data, which we believe, are reliable. While reasonable endeavours have been made to present reliable data in the Report so far as it relates to current and historical information, but SBICAPS does not guarantee the accuracy or completeness of the data in the Report. Accordingly, SBICAPS or any of its Group Entities including directors and employees thereof shall not be in any way responsible or liable for any loss or damage that may arise to any person from any inadvertent error in the information contained, views and opinions expressed in this Report or in connection with the use of this Report.

Please ensure that you have read “Risk Disclosure Document for Capital Market and Derivatives Segments” as prescribed by Securities and Exchange Board of India before investing in Indian securities market.

DISCLOSURES & DISCLAIMER

The projections and forecasts described in this Report should be carefully evaluated as these:

1. Are based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies.
2. Can be expected that some of the estimates on which these were based, will not materialize or will vary significantly from actual results, and such variances may increase over time.
3. Are not prepared with a view towards compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these.
4. Should not be regarded, by mere inclusion in this Report, as a representation or warranty by or on behalf of SBICAPS the authors of this Report, or any other person, that these or their underlying assumptions will be achieved.

This Report is for information purposes only and SBICAPS or its Group Entities accept no liabilities for any loss or damage of any kind arising out of the use of this Report. Though disseminated to recipients simultaneously, not all recipients may receive this Report at the same time. SBICAPS will not treat recipients as clients by virtue of their receiving this Report. It should not be construed as an offer to sell or solicitation of an offer to buy, purchase or subscribe to any securities. This Report shall not form the basis of or be relied upon in connection with any contract or commitment, whatsoever. This Report does not solicit any action based on the material contained herein.

It does not constitute a personal recommendation and does not take into account the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this Report may not be suitable for all the investors. SBICAPS does not provide legal, accounting or tax advice to its clients and you should independently evaluate the suitability of this Report and all investors are strongly advised to seek professional consultation regarding any potential investment.

Certain transactions including those involving futures, options and other derivatives as well as non-investment grade securities give rise to substantial risk and are not suitable for all investors. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment.

The price, value and income of the investments referred to in this Report may fluctuate and investors may realize losses on any investments. Past performance is not a guide for future performance. Actual results may differ materially from those set forth in projections. SBICAPS has reviewed the Report and, the current or historical information included here is believed to be reliable, the accuracy and completeness of which is not guaranteed. SBICAPS does not have any obligation to update the information discussed in this Report.

The opinions expressed in this Report are subject to change without notice and SBICAPS or its Group Entities have no obligation to tell the clients when opinions or information in this Report change. This Report has not been approved and will not or may not be reviewed or approved by any statutory or regulatory authority in India, United Kingdom or Singapore or by any Stock Exchange in India, United Kingdom or Singapore. This Report may not be all inclusive and may not contain all the information that the recipient may consider material.

The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this Report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. Distributing/taking/sending/ dispatching/transmitting this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with this restriction may constitute a violation of laws in that jurisdiction.

Legal Entity Disclosure Singapore:

The recommendation in this Report is intended for general circulation and the recommendation does not take into account the specific investment objectives, financial situation/circumstances and the particular needs of any particular person. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This Report is distributed in Singapore by State Bank of India, Singapore Branch (Singapore Registration No. S77FC2670D). State Bank of India, Singapore Branch is a bank, an Exempt Capital Markets Services Entity and Exempt Financial Adviser regulated by the Monetary Authority of Singapore. This Report is not intended to be distributed directly or indirectly to any other class of persons other than persons who qualify as Institutional Investors, Expert Investors or Accredited Investors (other than individuals) [collectively "Intended class of Persons"] as defined in section 4A(1) of the Securities and Futures Act 2001. Persons in Singapore should contact State Bank of India, Singapore Branch in respect of any matters arising from, or in connection with this Report via email at rmmb@sbising.com or by call at +65 6506 4246.

Section 45 of the Financial Advisers Act 2001 provides that when sending a circular or other written communication in which a recommendation is made in respect of securities, a financial adviser is required to include a concise statement, in equally legible type, of the nature of any interest in, or any interest in the acquisition or disposal of, those securities that it or an associated or connected person has at the date on which the circular or other communication is sent. Such circular or written communication must be retained by the financial adviser for five (5) years.

Under Regulation 35 of the Financial Advisers Regulations, State Bank of India, Singapore Branch is exempted from compliance with section 45 of the Financial Advisers Act 2001 and is not required to include such a statement of interest in securities in any written recommendation or document that State Bank of India, Singapore Branch may send to the Intended class of Persons. The Intended class of Persons are therefore not protected by the requirements of section 45 of the Financial Advisers Act 2001 if no disclosure is made of any interest that State Bank of India, Singapore Branch or any associated or connected person may have in the securities that State Bank of India, Singapore Branch may recommend in such document.

For the avoidance of doubt, State Bank of India, Singapore Branch emphasizes that this Report is for informational purposes only, and that neither State Bank of India, Singapore Branch, SBICAPS, SBICAPS' Associates nor the Analysts accept any liability for any loss or damage of any kind arising out of or caused by any use or reliance on this Report.

Legal Entity Disclosure Abu Dhabi:

SBI Capital Markets Limited, based in Abu Dhabi Global Market, is authorised and regulated by the Financial Services Regulatory Authority (FSRA). This document is directed at Professional Clients and not Retail Clients. Any other persons in receipt of this document must not rely upon or otherwise act upon it.

This document is provided for informational purposes only. Nothing in this document should be construed as a solicitation or offer, or recommendation, or to engage in any other transaction.