

India Cements

BSE Sensex 57,991
S&P CNX 17,241

Bloomberg ICEM IN
Equity Shares (m) 308
M.Cap.(INRb)/(USDb) 85.2 / 1
52-Week Range (INR) 298 / 146
1, 6, 12 Rel. Per (%) 21/24/45
12M Avg Val (INR M) 1030

Financial Snapshot (INR b)

Y/E MARCH	2022	2023E	2024E
Sales	47.1	55.1	57.3
EBITDA	4.6	2.8	6.8
Adj. PAT	0.4	-0.9	2.1
EBITDA Margin (%)	9.8	5.0	11.8
Adj. EPS (INR)	1.3	-2.9	6.8
EPS Gr. (%)	-82.4	-328.7	NM
BV/Sh. (INR)	187.7	203.3	209.5

Ratios

Net D:E	0.5	0.4	0.3
RoE (%)	0.7	-1.5	3.3
RoCE (%)	2.1	-0.5	3.8
Payout (%)	79.5	0.0	7.4

Valuations

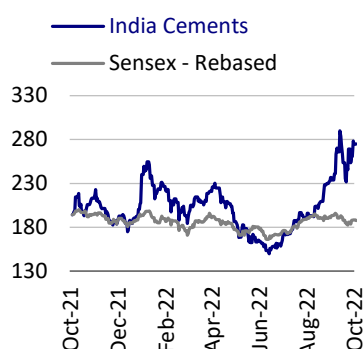
P/E (x)	217.4	-95.1	40.4
P/BV (x)	1.5	1.4	1.3
EV/EBITDA(x)	25.1	39.8	15.8
EV/ton (USD)	88	84	82
Div. Yield (%)	0.4	0.0	0.2

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	28.4	28.4	28.4
DII	7.7	8.8	7.6
FII	13.4	13.3	13.3
Others	50.5	49.5	50.7

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR275 **TP: INR180 (-35%)** **Sell**

Divestment of limestone bearing land in Central India

Growth outlook uncertain

- India Cements (ICEM) has agreed to divest its entire shareholding in Springway Mining Pvt Ltd (SMPL) for a consideration of INR4.77b to JSW Cement (as per [press release](#)). However, as per our discussion with the management, ICEM will also receive a total of INR1.27b towards the advance paid (INR1.18b) to SMPL and interest on such advances (INR90m), taking the total consideration to INR6.04b. ICEM has received INR3.74b upfront and the remaining amount will be received on or before 31st Dec'22.
- ICEM, in Oct'18, entered into a share purchase agreement to acquire the entire shareholding of SMPL in a phased manner for a total consideration of INR1.83b (investment of INR3.1b, including advances & interest on advances). The acquisition was completed recently in Jun'22.
- The management in 4QFY22 earnings concall highlighted its intent to monetize some assets, mainly land in order to improve liquidity. It mentioned that the company is not envisaging any expansion plans (except energy-efficiency mill at Sankarnagar works and a WHRS at Chilamkur works), given the low capacity utilization and any such action will be taken up based on improved market conditions. Hence, the future growth plans of the company looks uncertain.
- ICEM has not added any capacity after the up-gradation of its Chilamkur unit in Jun'10 which resulted in a significant market share loss for the company 800bp+ over FY10-22.

Potential to add 4mtpa capacity; consolidation is high in Central India

- M&A activity in the sector has led to increased consolidation in Central India. Currently, ~76% (FY23E) of capacity share in the region is held by the top five players.
- Central India has witnessed new entrants (SGC, JKCE, JKLC, etc.) over the recent past. Larger players are also keen to strengthen their presence in the region through organic or inorganic routes.
- This deal has open avenues for JSW Cement (a new entrant) to install capacity in Central India. SMPL has been granted ToR for a clinker/Cement capacity of 2.5mtpa/4mtpa along with a CPP/WHRS capacity of 40MW/10MW. Based on a 4mtpa cement capacity, the limestone reserves are available for ~30 years.
- Over FY22-25E, we are expecting clinker capacity (excluding any expansion by JSW after acquisition of SMPL) to exhibit a CAGR of 9% as against cement demand CAGR of 8% over the same period. We don't expect disruption in demand-supply dynamics in the region as the concentration of the top five players will remain high at ~72%.

Sanjeev Kumar Singh - Research analyst (Sanjeev.Singh@MotilalOswal.com)

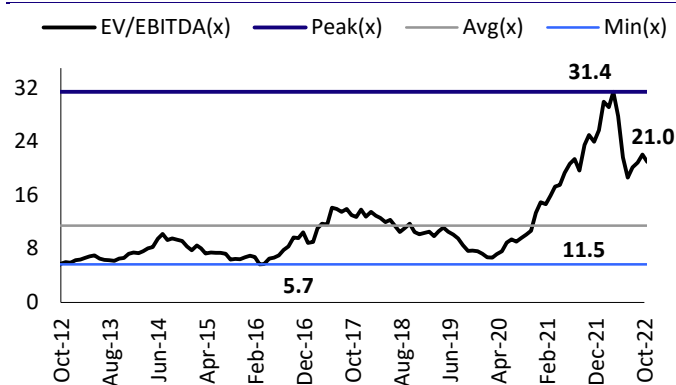
Mudit Agarwal - Research analyst (Mudit.Agarwal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

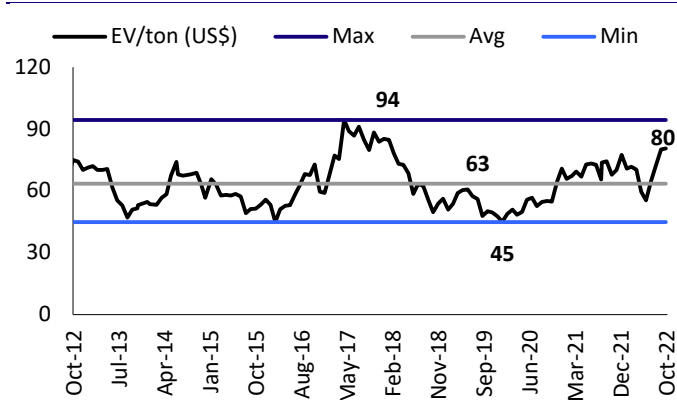
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

EPS accretion of 13% in FY24E; valuation remains unattractive

- We expect gross/net debt of ICEM to be at INR21.9b/21.6b in FY24E v/s our current estimate of INR26.4b/26.2b. This will lead to EPS of INR6.8 in FY24E v/s INR6 earlier.
- Expectations of consolidation in the cement sector has led to an upside in the stock (up 42% after 1Q results) despite significant pressure on earnings (EBITDA/t expected to be at INR18 in 2QFY23). Valuations at 15.8x FY24E EV/EBITDA and USD82 EV/t appear unattractive, given the absence of capacity addition plans and high net debt/EBITDA (3.2x in FY24E revised). We reiterate our Sell rating on the stock with a price target of INR180 (v/s INR165 Earlier).

Exhibit 1: One-year forward EV/EBITDA chart

Source: Company, MOFSL

Exhibit 2: One-year forward EV/ton chart

Source: Company, MOFSL

Financials and valuations

Standalone Income Statement

	(INR m)							
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Sales	50,795	51,692	56,280	50,575	44,367	47,131	55,144	57,347
Change (%)	5.6	1.8	8.9	-10.1	-12.3	6.2	17.0	4.0
EBITDA	8,610	6,928	6,379	5,852	8,061	4,611	2,751	6,773
Margin (%)	17.0	13.4	11.3	11.6	18.2	9.8	5.0	11.8
Depreciation	2,571	2,559	2,513	2,469	2,419	2,198	2,119	2,150
EBIT	6,040	4,369	3,866	3,384	5,642	2,413	632	4,623
Int. and Finance Charges	3,605	3,402	3,242	3,345	2,650	2,040	2,078	1,752
Other Income - Rec.	165	194	310	277	235	167	225	235
PBT bef. EO Exp.	2,600	1,161	934	316	3,227	540	-1,221	3,106
EO Expense/(Income)	0	0	0	1,000	0	0	0	0
PBT after EO Exp.	2,600	1,161	934	-684	3,227	540	-1,221	3,106
Current Tax	867	179	325	69	1,380	393	-330	1,009
Deferred Tax	0	-24	-85	-398	-373	-243	-1,481	0
Tax Rate (%)	33.3	13.3	25.7	48.1	31.2	27.9	148.3	32.5
Reported PAT	1,734	1,006	694	-355	2,220	390	590	2,096
PAT Adj for EO items	1,734	1,006	694	212	2,220	390	-891	2,096
Change (%)	31.3	-42.0	-31.0	-69.5	947.7	-82.4	-328.7	-335.2
Margin (%)	3.4	1.9	1.2	0.4	5.0	0.8	-1.6	3.7

Balance Sheet

	(INR m)							
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	3,082	3,082	3,099	3,099	3,099	3,099	3,099	3,099
Total Reserves	48,018	48,922	49,298	51,050	53,081	55,082	59,893	61,834
Net Worth	51,099	52,003	52,397	54,149	56,180	58,181	62,992	64,933
Deferred Liabilities	6,556	6,532	6,308	5,910	5,538	5,295	3,814	3,814
Secured Loan	23,797	28,180	26,433	23,750	19,798	19,287	13,587	11,737
Unsecured Loan	5,416	3,049	7,237	11,581	10,196	11,345	11,195	10,195
Total Loans	29,213	31,229	33,670	35,331	29,995	30,632	24,782	21,932
Capital Employed	86,868	89,764	92,375	95,391	91,712	94,107	91,587	90,679
Gross Block	75,015	75,794	77,438	81,024	81,871	84,244	85,244	86,744
Less: Accum. Deprn.	5,286	7,831	10,308	12,766	15,171	17,369	19,489	21,641
Net Fixed Assets	69,729	67,963	67,130	68,258	66,700	66,876	65,755	65,103
Capital WIP	1,278	1,712	1,770	1,958	1,871	2,715	2,715	2,715
Total Investments	6,190	5,884	6,946	7,369	7,462	7,795	7,795	7,795
Curr. Assets, Loans&Adv.	29,256	31,700	35,203	36,939	32,708	40,462	41,243	41,930
Inventory	7,450	6,723	8,232	8,263	5,838	8,344	8,309	8,641
Account Receivables	5,089	6,295	7,290	7,163	5,413	9,213	9,065	9,113
Cash and Bank Balance	68	84	68	67	68	18	481	289
Loans and Advances	16,649	18,599	19,614	21,447	21,390	22,887	23,387	23,887
Real Estate Projects WIP	0	0	0	0	0	0	0	0
Curr. Liability & Prov.	19,584	17,495	18,675	19,134	17,028	23,740	25,921	26,865
Account Payables	13,180	11,759	13,163	13,342	10,763	12,875	13,597	14,140
Other Current Liabilities	4,796	4,307	4,106	4,566	5,301	8,580	10,039	10,440
Provisions	1,608	1,428	1,405	1,225	964	2,285	2,285	2,285
Net Current Assets	9,671	14,205	16,528	17,805	15,680	16,722	15,322	15,065
Appl. of Funds	86,868	89,764	92,375	95,391	91,712	94,107	91,587	90,679

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)								
Standalone EPS	5.6	3.3	2.3	0.7	7.2	1.3	(2.9)	6.8
Cash EPS	14.0	11.6	10.4	8.6	15.0	8.4	4.0	13.7
BV/Share	165.8	168.8	169.1	174.7	181.3	187.7	203.3	209.5
DPS	1.0	0.8	0.8	0.6	1.0	1.0	-	0.5
Payout (%)	21.4	29.5	43.0	(52.4)	14.0	79.5	-	7.4
Valuation (x)								
P/E		84.2	122.0	399.9	38.2	217.4	(95.1)	40.4
Cash P/E		23.8	26.6	31.8	18.4	32.9	69.4	20.1
P/BV		1.6	1.6	1.6	1.5	1.5	1.4	1.3
EV/Sales		2.2	2.1	2.4	2.6	2.5	2.0	1.9
EV/EBITDA		16.7	18.6	20.6	14.3	25.1	39.8	15.8
EV/Ton (USD)		88.5	90.8	92.1	88.0	88.5	83.7	81.6
Dividend Yield (%)		0.3	0.3	0.2	0.4	0.4	-	0.2
Return Ratios (%)								
RoIC	4.7	4.4	3.2	1.9	4.2	1.9	(0.3)	3.5
RoE	3.4	2.0	1.3	0.4	4.0	0.7	(1.5)	3.3
RoCE	5.1	4.8	3.7	2.2	4.6	2.1	(0.5)	3.8
Working Capital Ratios								
Asset Turnover (x)	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.6
Inventory (Days)	53.5	47.5	53.4	59.6	48.0	64.6	55.0	55.0
Debtor (Days)	32	43	47	52	45	71	60	58
Leverage Ratio (x)								
Current Ratio	1.5	1.8	1.9	1.9	1.9	1.7	1.6	1.6
Debt/Equity	0.6	0.6	0.6	0.7	0.5	0.5	0.4	0.3

Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	2,517	1,257	853	282	3,221	540	(1,221)	3,106
Depreciation	2,571	2,559	2,513	2,469	2,419	2,198	2,119	2,150
Interest & Finance Charges	3,528	3,220	3,074	3,050	2,591	1,899	2,078	1,752
Direct Taxes Paid	(637)	(384)	(88)	(312)	(507)	(401)	330	(1,009)
(Inc)/Dec in WC	112	(2,072)	(3,069)	(1,269)	2,592	(542)	1,865	66
CF from Operations	8,090	4,580	3,283	4,220	10,317	3,694	5,170	6,064
Others	30	105	(119)	(81)	39	4	-	-
CF from Operating incl EO	8,121	4,685	3,164	4,139	10,355	3,698	5,170	6,064
(Inc)/Dec in FA	(788)	(1,902)	(1,712)	(1,365)	(1,256)	(1,296)	(1,000)	(1,500)
Free Cash Flow	7,332	2,783	1,452	2,774	9,100	2,402	4,170	4,564
(Pur)/Sale of Investments	(683)	344	(923)	(278)	6	(309)	-	-
Others	(405)	(1,385)	231	(1,759)	(708)	(460)	4,221	-
CF from Investments	(1,876)	(2,942)	(2,404)	(3,403)	(1,958)	(2,065)	3,221	(1,500)
Issue of Shares	-	-	18	-	-	-	-	-
Inc/(Dec) in Debt	16,880	9,583	5,424	2,562	(5,401)	637	(5,850)	(2,850)
Interest Paid	(3,537)	(3,411)	(3,136)	(3,000)	(2,809)	(2,011)	(2,078)	(1,752)
Dividend Paid	(370)	(371)	(336)	(300)	(187)	(309)	-	(155)
Others	(19,217)	(7,528)	(2,746)	-	-	-	-	-
CF from Fin. Activity	(6,243)	(1,727)	(776)	(738)	(8,396)	(1,683)	(7,928)	(4,757)
Inc/Dec of Cash	1	16	(16)	(1)	1	(50)	463	(192)
Opening Balance	67	68	84	68	67	68	18	481
Closing Balance	68	84	68	67	68	18	481	289

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

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

Disclosures

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

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

<http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980

4263; 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.:022-71881085.

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN.: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products. Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.