

# Container Corporation

BSE SENSEX

74,743

S&amp;P CNX

22,666



## Stock Info

Bloomberg	CCRI IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	555.3 / 6.7
52-Week Range (INR)	1035 / 572
1, 6, 12 Rel. Per (%)	-6/12/31
12M Avg Val (INR M)	1139
Free float (%)	45.2

## Financials Snapshot (INR b)

Y/E March	2024E	2025E	2026E
Net Sales	86.0	98.9	115.9
EBITDA	19.7	23.2	28.5
Adj. PAT	12.8	15.3	18.9
EBITDA Margin (%)	22.9	23.5	24.6
Adj. EPS (INR)	21.0	25.1	31.0
EPS Gr. (%)	9.4	19.4	23.6
BV/Sh. (INR)	195.7	209.0	225.5

## Ratios

Net D/E (x)	(0.3)	(0.4)	(0.4)
RoE (%)	11.0	12.4	14.3
RoCE (%)	11.5	12.8	14.6
Payout (%)	46.9	46.9	46.9

## Valuations

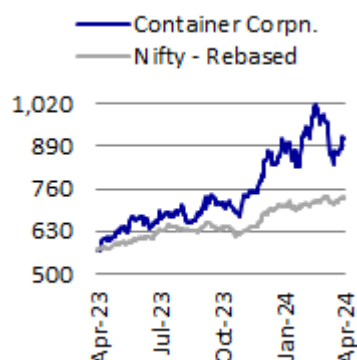
P/E (x)	43.3	36.3	29.4
P/BV (x)	4.6	4.4	4.0
EV/EBITDA (x)	25.5	21.3	16.9
Div. Yield (%)	1.1	1.3	1.6
FCF Yield (%)	1.6	2.4	3.2

## Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	54.8	54.8	54.8
DII	22.9	21.6	17.6
FII	19.6	20.7	24.1
Others	2.8	3.0	3.6

FII Includes depository receipts

## Stock's performance (one-year)


**CMP: INR911**
**TP: INR1,120 (+23%)**
**Buy**

## Commissioning of DFC to drive the containerized cargo movement...

...CCRI will be the key beneficiary

- Container Corporation (CCRI) will be a key beneficiary of the Dedicated Freight Corridor (DFC), which is likely to result in volume growth driven by a modal shift and enhanced operating efficiencies. The DFC connecting Dadri to Mundra became operational in May'23. CCRI is operating a timetable of trains on this route, and this development has led to a significant shift in the proportion of its business from road to rail.
- Further, we anticipate that CCRI would benefit from the shift in northern hinterland volumes from Gujarat ports to JNPT after the entire DFC commissioning, which is likely to be completed in FY26. CCRI's strong positioning at JNPT (~55% market share in 9MFY24) could result in tailwinds from operating efficiencies stemming from DFC and the ability to offer full-fledged scheduled services.
- Domestic container volumes for CCRI grew 11% YoY in 9MFY24, while EXIM volumes rose 6% YoY during the same period. Weak trade volumes due to the geopolitical headwinds hit EXIM volumes. We expect domestic operations to scale up (35% contribution in 9MFY24) due to the addition of new services/ commodities for multiple sectors, and a strong network of terminals. Further, strategic initiatives such as addition of FMCG-led cargo, deployment of LNG trucks, partnerships for solar energy products, etc., are likely to result in higher double-digit growth for domestic cargo.
- With DFC commissioning and a continuous ramp-up in the number of double-stacked trains, we expect blended volumes to report 10% CAGR during FY24-26. Further, with clarity on LLF provisioning, we project the EBITDA margin to be 23-25% over FY24-26. The stock trades at 16.9x FY26E EV/EBITDA. Reiterate BUY with a TP of INR1,120 (based on 22x EV/EBITDA on FY26E).

## Reduction in LLF provisions to expand margins

- Land License Fee (LLF) for 9MFY24 stood at INR2.9b. CCRI has reversed INR360m of LLF provisions for previous years; hence, LLF provisioning is likely to be ~INR4.0b for FY24 (net of reversals).
- An additional INR900m provision is pending reconciliation, possibly reversing in the future as discussions are underway.
- CCRI has surrendered certain land parcels in Tughlakabad in Nov'23 that are anticipated to reduce the annual LLF cost by ~INR250m. CCRI has also offered to surrender a portion of land at its Vadodara terminal and plans to reduce LLF expenses by shifting volumes to its terminals.
- Management has guided LLF expenses at ~INR4.5b in FY25, assuming a 7% escalation over FY24. CCRI aims to further reduce LLF expenses by shifting volumes to its terminals.

Alok Deora - Research analyst (Alok.Deora@motilaloswal.com)

Saurabh Dugar - Research analyst (Saurabh.Dugar@motilaloswal.com)

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

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

### Strategic new initiatives to boost volumes

- CCRI has deployed 75 LNG trucks at Chennai, Nagpur, Baroda, and Ankleshwar terminals, and is witnessing healthy returns. Consequently, management plans to increase the fleet count and also signed an MoU with Indraprastha Gas Ltd (IGL) in Nov'23 for developing LNG pumps at CCRI terminals.
- Apart from this, the company has taken several new initiatives, including: a) MoU with NTPC Vidyut Vyapar Nigam in Dec'23 for solar energy product development at its terminals, and b) MoU with DB Schenker, a leading international trade-forwarding company from Germany, to expand CCRI's range of services in the EXIM and domestic segments.
- The First Mile Last Mile (FMLM) mix has risen to 63% in 3QFY24 from 30-35% in 3QFY23, and the company plans to increase the mix to 80-85% in the next couple of years.

### Leads in the container rail freight segment with strategically located infrastructure

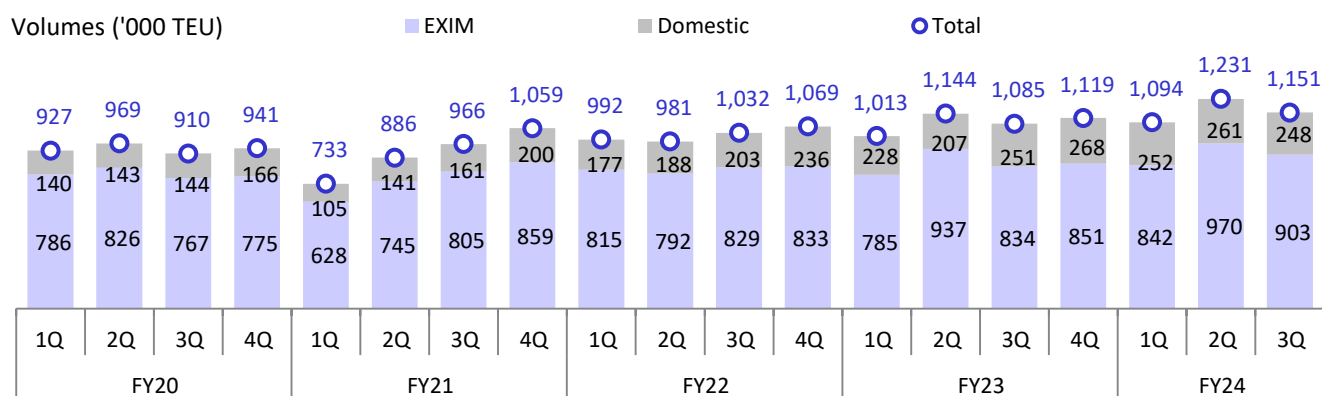
- CCRI maintained ~75% market share in the rail freight segment over the last decade, although this has moderated to ~65% in FY23 due to rising competition from private Container Train Operators (CTOs) and the road freight players.
- CCRI's strategically located infrastructure across India offers a competitive advantage, which helps the company maintain profitability despite losing some market share.

### Valuation and view

- With DFC commissioning and a continuous ramp-up in the number of double-stacked trains, we expect blended volumes to report 10% CAGR during FY24-26.
- Further, with clarity on LLF provisioning, we project the EBITDA margin to be 23-25% over FY24-26. The stock trades at 16.9x FY26E EV/EBITDA.
- **Reiterate BUY with a TP of INR1,120 (based on 22x EV/EBITDA on FY26E).**

## Dominant position in the containerized rail freight business

Exhibit 1: Quarterly EXIM and domestic volume trends ('000 TEU)

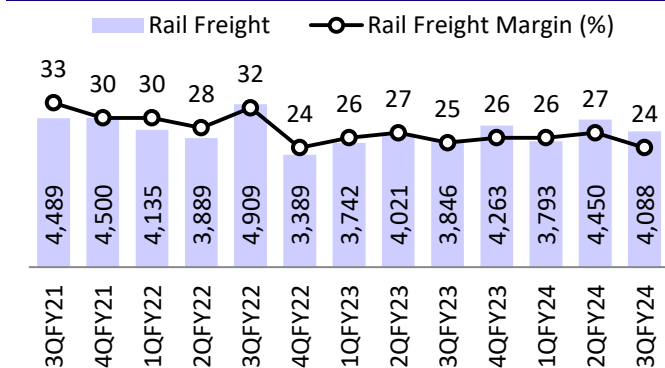


**Exhibit 2: Segmental revenue and profitability**

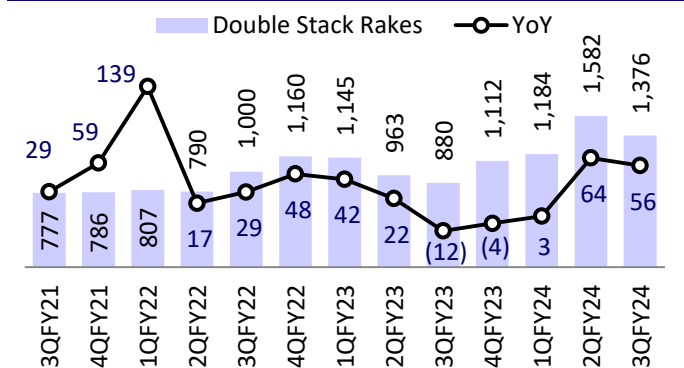
	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	YoY (%)	QoQ (%)
<b>Revenue (INR m)</b>									
EXIM	13,007	13,186	12,697	13,239	12,315	14,438	14,365	13%	-1%
Domestic	6,777	6,521	7,187	8,421	6,879	7,467	7,687	7%	3%
<b>Total Segment Revenue</b>	<b>19,783</b>	<b>19,707</b>	<b>19,884</b>	<b>21,660</b>	<b>19,193</b>	<b>21,904</b>	<b>22,051</b>	<b>11%</b>	<b>1%</b>
<b>Segmental EBIT</b>									
EXIM	3,171	3,321	2,953	3,176	2,566	3,463	3,197	8%	-8%
Domestic	586	627	428	752	366	746	737	72%	-1%
<b>Total</b>	<b>3,757</b>	<b>3,948</b>	<b>3,381</b>	<b>3,927</b>	<b>2,932</b>	<b>4,209</b>	<b>3,934</b>	<b>16%</b>	<b>-7%</b>
<b>EBIT Margin (%)</b>									
EXIM	24.4%	25.2%	23.3%	24.0%	20.8%	24.0%	22.3%		
Domestic	8.6%	9.6%	6.0%	8.9%	5.3%	10.0%	9.6%		
<b>Total</b>	<b>19.0%</b>	<b>20.0%</b>	<b>17.0%</b>	<b>18.1%</b>	<b>15.3%</b>	<b>19.2%</b>	<b>17.8%</b>		

**Exhibit 3: Realization snapshot**

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	YoY (%)	QoQ (%)
<b>Handling Volumes (TEU)</b>									
EXIM	7,84,857	9,36,950	8,33,796	8,51,261	8,41,690	9,69,746	9,02,582	8%	-7%
Domestic	2,28,191	2,06,945	2,51,358	2,67,773	2,51,920	2,61,022	2,48,226	-1%	-5%
<b>Total</b>	<b>10,13,048</b>	<b>11,43,895</b>	<b>10,85,154</b>	<b>11,19,034</b>	<b>10,93,610</b>	<b>12,30,768</b>	<b>11,50,808</b>	<b>6%</b>	<b>-6%</b>
<b>Realization (INR/TEU)</b>									
EXIM	16,572	14,073	15,228	15,553	14,631	14,888	15,915	5%	7%
Domestic	29,697	31,511	28,593	31,446	27,305	28,605	30,966	8%	8%
<b>Total</b>	<b>19,528</b>	<b>17,228</b>	<b>18,324</b>	<b>19,356</b>	<b>17,550</b>	<b>17,797</b>	<b>19,161</b>	<b>5%</b>	<b>8%</b>
<b>EBIT (INR/TEU)</b>									
EXIM	4,041	3,544	3,542	3,730	3,048	3,571	3,542	0%	-1%
Domestic	2,567	3,029	1,702	2,808	1,453	2,858	2,969	75%	4%
<b>Total</b>	<b>3,709</b>	<b>3,451</b>	<b>3,115</b>	<b>3,510</b>	<b>2,681</b>	<b>3,419</b>	<b>3,418</b>	<b>10%</b>	<b>0%</b>

**Exhibit 4: Rail freight – margin trend**

Source: MOFSL, Company

**Exhibit 5: Double-stacked rakes increased YoY**

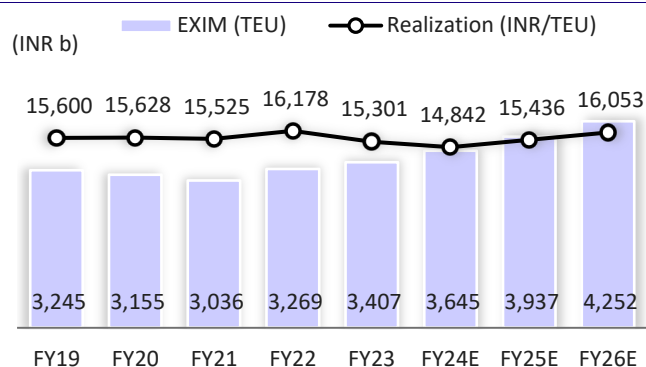
Source: MOFSL, Company

**Increasing double-stacked rakes to result in higher operational efficiency and volumes**

- Double-stacked trains can carry more containers than traditional single-stacked trains, thus increasing the overall capacity of the rail network.
- CCRI has been continuously increasing the number of double-stacked trains (to 1,376 in Dec'23 from 777 in Dec'21), which could lead to lower transportation costs per container, improving the company's cost efficiency level.
- To boost its domestic volumes, CCRI has plans to add the FMCG segment and has placed orders for 1,000 customized containers of 12ft height (vs. the standard TEU height of 8.5ft). This would drive both cost reduction and higher volumes as more volumes would be viable with reduced per-unit costing.

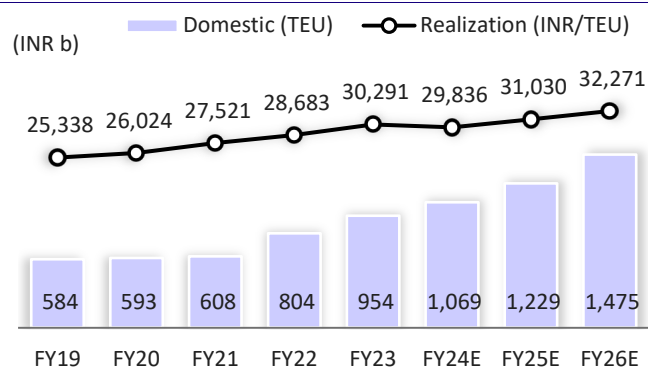
## Financial story in charts

**Exhibit 6: EXIM handling volumes and realization**



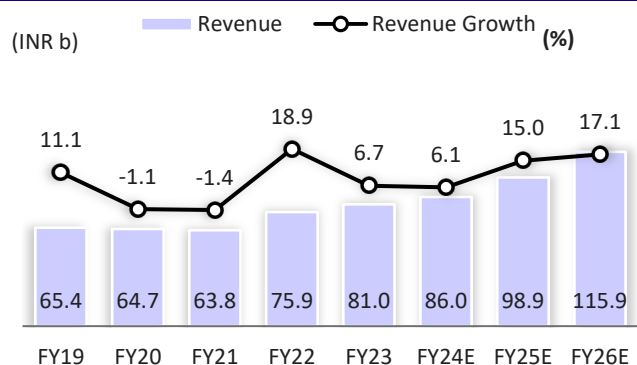
Source: MOFSL, Company

**Exhibit 7: Domestic handling volumes and realization**



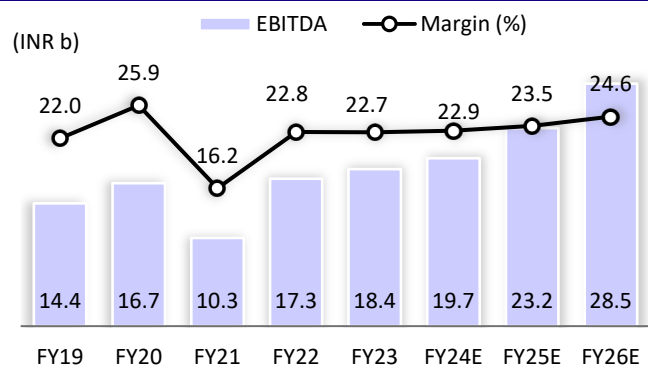
Source: MOFSL, Company

**Exhibit 8: Revenue growth to be driven by domestic volumes**



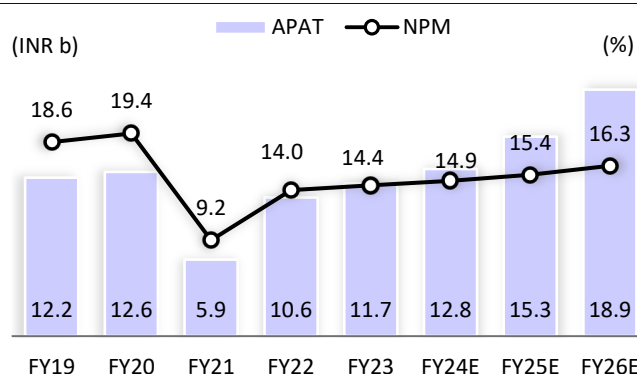
Source: MOFSL, Company

**Exhibit 9: EBITDA and margin to improve with lower LLF provision and commissioning of DFC**



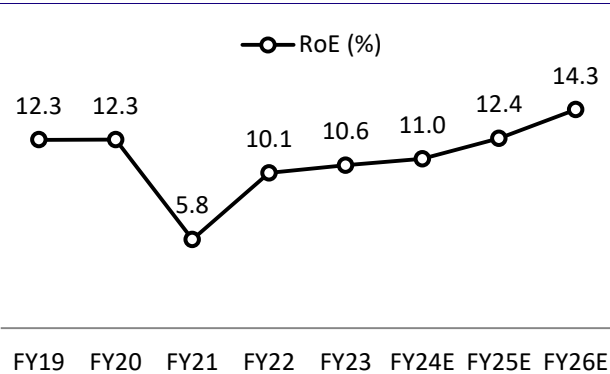
Source: MOFSL, Company

**Exhibit 10: APAT to move in line with operating performance**



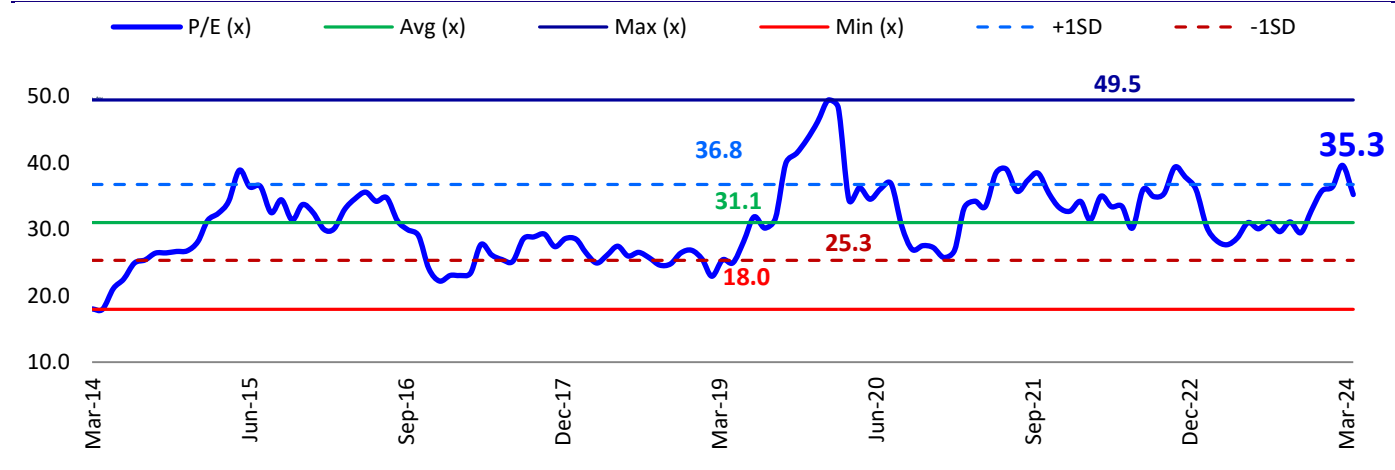
Source: MOFSL, Company

**Exhibit 11: Return ratios to improve gradually**



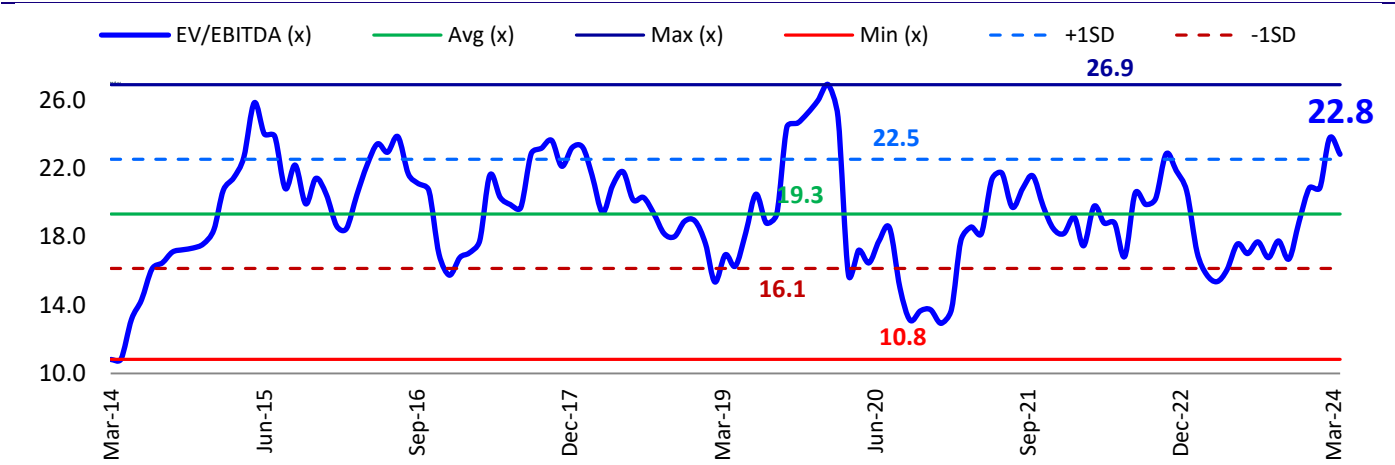
Source: MOFSL, Company

Exhibit 12: One-year forward P/E (x)



Source: Company, MOFSL

Exhibit 13: One-year forward EV/EBITDA (x)



Source: Company, MOFSL

## Financials and valuations

### Standalone – Income Statement

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Total Income from Operations</b>	<b>58,893</b>	<b>65,427</b>	<b>64,738</b>	<b>63,850</b>	<b>75,945</b>	<b>81,034</b>	<b>85,993</b>	<b>98,908</b>	<b>1,15,854</b>
Change (%)	9.2	11.1	-1.1	-1.4	18.9	6.7	6.1	15.0	17.1
<b>Total Expenditure</b>	<b>46,814</b>	<b>51,019</b>	<b>47,989</b>	<b>53,521</b>	<b>58,661</b>	<b>62,613</b>	<b>66,292</b>	<b>75,674</b>	<b>87,399</b>
As a percentage of Sales	79.5	78.0	74.1	83.8	77.2	77.3	77.1	76.5	75.4
<b>EBITDA</b>	<b>12,079</b>	<b>14,408</b>	<b>16,749</b>	<b>10,329</b>	<b>17,284</b>	<b>18,421</b>	<b>19,700</b>	<b>23,234</b>	<b>28,454</b>
Margin (%)	20.5	22.0	25.9	16.2	22.8	22.7	22.9	23.5	24.6
Depreciation	3,927	4,246	5,130	5,219	5,298	5,541	5,943	6,098	6,540
<b>EBIT</b>	<b>8,152</b>	<b>10,162</b>	<b>11,619</b>	<b>5,109</b>	<b>11,986</b>	<b>12,880</b>	<b>13,757</b>	<b>17,136</b>	<b>21,914</b>
Int. and Finance Charges	1	7	361	340	546	570	620	600	600
Other Income	5,705	6,735	2,797	2,855	2,631	3,240	3,840	3,890	3,940
<b>PBT bef. EO Exp.</b>	<b>13,856</b>	<b>16,889</b>	<b>14,056</b>	<b>7,625</b>	<b>14,071</b>	<b>15,550</b>	<b>16,978</b>	<b>20,426</b>	<b>25,254</b>
EO Items	-129	0	-8,816	-834	-1	-13	0	0	0
<b>PBT</b>	<b>13,727</b>	<b>16,889</b>	<b>5,240</b>	<b>6,791</b>	<b>14,070</b>	<b>15,537</b>	<b>16,978</b>	<b>20,426</b>	<b>25,254</b>
Current Tax	3,862	4,841	3,208	2,129	3,805	3,840	4,176	5,147	6,364
Deferred Tax	-579	-107	-1,726	-371	-358	6	0	0	0
Tax	3,283	4,735	1,482	1,758	3,447	3,847	4,176	5,147	6,364
Tax Rate (%)	23.9	28.0	28.3	25.9	24.5	24.8	24.6	25.2	25.2
<b>Reported PAT</b>	<b>10,445</b>	<b>12,154</b>	<b>3,758</b>	<b>5,033</b>	<b>10,623</b>	<b>11,691</b>	<b>12,801</b>	<b>15,279</b>	<b>18,890</b>
<b>Adjusted PAT</b>	<b>10,574</b>	<b>12,154</b>	<b>10,120</b>	<b>5,867</b>	<b>10,624</b>	<b>11,703</b>	<b>12,801</b>	<b>15,279</b>	<b>18,890</b>
Change (%)	44.2	14.9	-16.7	-42.0	81.1	10.2	9.4	19.4	23.6
Margin (%)	18.0	18.6	15.6	9.2	14.0	14.4	14.9	15.4	16.3

### Standalone – Balance Sheet

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	2,437	3,047	3,047	3,047	3,047	3,047	3,047	3,047	3,047
Total Reserves	91,574	1,00,632	97,601	98,991	104,727	1,09,403	1,16,200	1,24,312	1,34,341
<b>Net Worth</b>	<b>94,011</b>	<b>1,03,679</b>	<b>1,00,647</b>	<b>1,02,037</b>	<b>107,773</b>	<b>1,12,450</b>	<b>1,19,246</b>	<b>1,27,359</b>	<b>1,37,388</b>
Deferred Liabilities	2,533	1,616	0	0	0	0	0	0	0
Total Loans	0	7,007	0	0	0	0	0	0	0
<b>Capital Employed</b>	<b>96,544</b>	<b>1,12,301</b>	<b>1,00,647</b>	<b>1,02,037</b>	<b>107,773</b>	<b>1,12,450</b>	<b>1,19,246</b>	<b>1,27,359</b>	<b>1,37,388</b>
Gross Block	47,332	57,038	70,379	81,028	87,217	92,104	99,604	1,07,104	1,14,604
Less: Accum. Deprn.	10,848	15,091	20,686	28,011	33,309	38,850	44,793	50,891	57,431
<b>Net Fixed Assets</b>	<b>36,484</b>	<b>41,947</b>	<b>49,694</b>	<b>53,018</b>	<b>53,908</b>	<b>53,254</b>	<b>54,811</b>	<b>56,213</b>	<b>57,173</b>
Capital WIP	6,710	6,247	9,375	9,198	7,482	8,265	8,265	8,265	8,265
<b>Total Investments</b>	<b>13,890</b>	<b>14,029</b>	<b>14,441</b>	<b>14,452</b>	<b>14,356</b>	<b>14,425</b>	<b>14,425</b>	<b>14,425</b>	<b>14,425</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>49,395</b>	<b>63,845</b>	<b>42,013</b>	<b>44,735</b>	<b>51,365</b>	<b>56,063</b>	<b>62,451</b>	<b>72,141</b>	<b>85,084</b>
Inventory	275	233	261	239	307	372	394	449	519
Account Receivables	604	884	1,591	1,555	1,761	2,131	2,261	2,601	3,047
Cash and Bank Balance	19,817	1,704	21,686	24,732	28,879	30,479	36,715	46,009	58,437
Loans and Advances	28,699	61,025	18,475	18,209	20,419	23,081	23,081	23,081	23,081
<b>Curr. Liability and Prov.</b>	<b>10,592</b>	<b>13,767</b>	<b>15,020</b>	<b>19,908</b>	<b>20,244</b>	<b>20,356</b>	<b>21,505</b>	<b>24,484</b>	<b>28,358</b>
Account Payables	2,542	3,504	1,553	2,709	4,236	3,770	3,992	4,557	5,263
Other Current Liabilities	7,344	9,544	12,776	15,500	14,428	15,150	16,077	18,491	21,659
Provisions	705	719	692	1,699	1,579	1,436	1,436	1,436	1,436
<b>Net Current Assets</b>	<b>38,804</b>	<b>50,078</b>	<b>26,992</b>	<b>24,827</b>	<b>31,122</b>	<b>35,707</b>	<b>40,946</b>	<b>47,656</b>	<b>56,726</b>
<b>Appl. of Funds</b>	<b>96,544</b>	<b>1,12,301</b>	<b>1,00,647</b>	<b>1,02,037</b>	<b>107,773</b>	<b>1,12,450</b>	<b>1,19,246</b>	<b>1,27,359</b>	<b>1,37,388</b>

## Financials and valuations

### Ratio analysis

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>									
EPS	17.4	19.9	16.6	9.6	17.4	19.2	21.0	25.1	31.0
Cash EPS	23.8	26.9	25.0	18.2	26.1	28.3	30.8	35.1	41.7
BV/Share	154.3	170.2	165.2	167.5	176.9	184.6	195.7	209.0	225.5
DPS	6.9	8.5	3.6	5.0	9.0	9.0	9.9	11.8	14.5
Payout (%)	48.0	51.4	60.7	60.5	51.6	46.9	46.9	46.9	46.9
<b>Valuation (x)</b>									
P/E	52.4	45.6	44.1	94.5	52.2	47.4	43.3	36.3	29.4
Cash P/E	38.2	33.8	31.3	50.0	34.8	32.2	29.6	25.9	21.8
P/BV	5.9	5.3	5.5	5.4	5.1	4.9	4.6	4.4	4.0
EV/Sales	8.8	8.3	8.0	8.1	6.7	6.3	5.9	5.0	4.2
EV/EBITDA	43.1	37.9	30.9	49.9	29.6	27.7	25.5	21.3	16.9
Dividend Yield (%)	0.8	0.9	0.4	0.5	1.0	1.0	1.1	1.3	1.6
FCF per share	9.6	-44.2	53.8	9.4	12.2	13.3	14.8	21.6	29.5
<b>Return Ratios (%)</b>									
RoE	11.6	12.3	9.9	5.8	10.1	10.6	11.0	12.4	14.3
RoCE	11.2	11.6	9.7	5.8	10.5	11.0	11.5	12.8	14.6
RoIC	11.1	10.0	11.5	7.0	16.3	16.7	17.4	21.6	28.5
<b>Working Capital Ratios</b>									
Asset Turnover (x)	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8
Inventory (Days)	2	1	1	1	1	2	2	2	2
Debtor (Days)	4	5	9	9	8	10	10	10	10
Creditor (Days)	26	34	16	29	38	31	30	30	29
<b>Leverage Ratio (x)</b>									
Current Ratio	4.7	4.6	2.8	2.2	2.5	2.8	2.9	2.9	3.0
Net Debt/Equity	-0.2	0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4

### Standalone – Cash Flow Statement

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	13,857	16,889	5,240	6,791	14,070	15,537	16,978	20,426	25,254
Depreciation	3,927	4,246	5,130	5,219	5,298	5,541	5,943	6,098	6,540
Interest and Finance Charges	-2,332	-2,247	-1,678	-1,648	-1,302	-1,667	-3,220	-3,290	-3,340
Direct Taxes Paid	-3,360	-5,404	-1,382	-2,444	-3,568	-4,251	-4,176	-5,147	-6,364
(Inc.)/Dec. in WC	1,169	-33,386	26,758	1,691	-1,003	-1,219	996	2,584	3,359
<b>CF from Operations</b>	<b>13,260</b>	<b>-19,902</b>	<b>34,067</b>	<b>9,610</b>	<b>13,496</b>	<b>13,942</b>	<b>16,520</b>	<b>20,671</b>	<b>25,449</b>
Others	19	15	8,621	633	-90	-117	0	0	0
<b>CF from Operations incl. EO</b>	<b>13,279</b>	<b>-19,887</b>	<b>42,689</b>	<b>10,243</b>	<b>13,406</b>	<b>13,825</b>	<b>16,520</b>	<b>20,671</b>	<b>25,449</b>
(inc.)/dec. in FA	-8,595	-7,040	-9,888	-4,501	9,597	-5,723	-7,500	-7,500	-7,500
<b>Free Cash Flow</b>	<b>4,684</b>	<b>-26,927</b>	<b>32,801</b>	<b>5,741</b>	<b>23,002</b>	<b>8,101</b>	<b>9,020</b>	<b>13,171</b>	<b>17,949</b>
(Pur.)/Sale of Investments	-153	-139	-618	-570	595	-82	0	0	0
Others	3,451	21,639	-15,227	2,310	-13,684	-231	3,840	3,890	3,940
<b>CF from Investments</b>	<b>-5,297</b>	<b>14,461</b>	<b>-25,733</b>	<b>-2,761</b>	<b>-3,492</b>	<b>-6,036</b>	<b>-3,660</b>	<b>-3,610</b>	<b>-3,560</b>
Issue of Shares	0	0	0	0	0	0	0	0	0
(Inc.)/Dec. in Debt	0	7,007	-7,007	0	0	0	0	0	0
Interest Paid	-1	-7	-81	-1	0	1	-20	0	0
Dividend Paid	-4,168	-1,828	-5,666	-3,564	-4,874	-7,311	-6,004	-7,167	-8,861
Others	-831	-366	-1,714	-869	-893	-1,079	-600	-600	-600
<b>CF from Fin. Activity</b>	<b>-4,999</b>	<b>4,805</b>	<b>-14,467</b>	<b>-4,434</b>	<b>-5,767</b>	<b>-8,389</b>	<b>-6,624</b>	<b>-7,767</b>	<b>-9,461</b>
<b>Inc./Dec. in Cash</b>	<b>2,983</b>	<b>-621</b>	<b>2,489</b>	<b>3,047</b>	<b>4,146</b>	<b>-601</b>	<b>6,236</b>	<b>9,294</b>	<b>12,429</b>
Opening Balance	16,835	19,817	19,196	21,685	24,732	31,080	30,479	36,715	46,009
<b>Closing Balance</b>	<b>19,817</b>	<b>19,196</b>	<b>21,685</b>	<b>24,732</b>	<b>28,879</b>	<b>30,479</b>	<b>36,715</b>	<b>46,009</b>	<b>58,437</b>

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

NOTES



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

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

#### Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://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](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

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

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

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (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](mailto:grievances@motilaloswal.com).

Nainesh Rajani Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

#### Analyst Certification

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

#### Terms & Conditions:

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

#### Disclaimer:

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

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

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

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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