

Shree Cement

BSE SENSEX
74,602

S&P CNX
22,548

CMP: INR28,197 TP: INR27,000 (-4%) Neutral


Bloomberg	SRCM IN
Equity Shares (m)	36
M.Cap.(INRb)/(USD\$)	1017.4 / 11.7
52-Week Range (INR)	28900 / 23500
1, 6, 12 Rel. Per (%)	12/23/5
12M Avg. Val (INR M)	1056
Free float (%)	37.5

Financial Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	177.7	198.3	219.7
EBITDA	36.7	43.4	51.3
Adj. PAT	10.4	10.9	16.0
EBITDA Margin (%)	20.6	21.9	23.3
Adj. EPS (INR)	287	303	443
EPS Gr. (%)	-58.0	5.4	46.4
BV/Sh. (INR)	5,837	6,030	6,333

Ratios

Net D:E	-0.2	-0.2	-0.2
RoE (%)	5.0	5.1	7.2
RoCE (%)	5.5	5.5	7.4
Payout (%)	34.8	36.3	31.6

Valuations

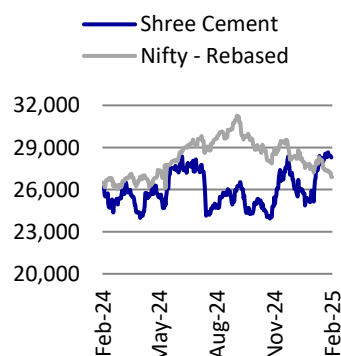
P/E (x)	98.0	93.0	63.5
P/BV (x)	4.8	4.7	4.4
EV/EBITDA(x)	25.8	22.0	18.2
EV/ton (USD)	193	153	150
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	-1.0	-0.6	1.1

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	62.6	62.6	62.6
DII	14.5	14.5	12.6
FII	10.4	10.4	12.3
Others	12.6	12.6	12.6

FII Includes depository receipts

Stock's performance (one year)



Earnings growth and superior profitability priced in Capacity-led re-rating unlikely

- Shree Cement (SRCM) has outperformed the broader indices and other large players (UTCEM and ACEM) in the last one month, primarily aided by industry-leading profitability in 3QFY25 supported by better cost controls. However, the company disappointed the market with a muted volume growth in 9MFY25 vs. strong volume growth posted by other large players.
- Earlier, during FY14-21, SRCM experienced capacity-led re-rating given its entry into newer geographies, higher capacity utilization, low-cost capacity expansions, market share gain, and a balanced distribution between integrated cement plants and split location grinding units.
- SRCM is anticipated to commission 7.3mtpa (clinker) and 15.4mtpa (cement) capacities in 1QFY26, which will lead to 21%/27% clinker/cement capacity growth. Unlike previously, we do not expect capacity-led rerating this time given the lower capacity utilization, mounting industry supply, lack of geographical distribution, and disproportionate mix of split grinding units and integrated cement plants.
- We estimate SRCM's EBITDA to clock ~18% CAGR over FY25-27, driven by ~10% volume growth and ~7% improvement in EBITDA/t. We estimate its blended EBITDA/t at INR1,093/INR1,174 for FY26/FY27 vs. INR1,017 for FY25E (average EBITDA/t was INR1,283 over FY20-24). The stock trades at 22x/18x FY26E/FY27E EV/EBITDA (vs. its 10-year average one-year forward EV/EBITDA of 20x). **We reiterate our Neutral rating and value SRCM at 17x FY27E EV/EBITDA to arrive at our TP of INR27,000.**

Increasing clinker/cement capacities by 7.3mtpa/15.4mtpa in 1QFY26

- SRCM scaled up its capacity expansion plans post-FY22, as its capacity CAGR stood at ~16% over FY23-26E vs. ~5% during FY20-23. The company added 9.3mtpa (clinker) and 10.0mtpa (cement) capacities during FY23-25E. In 1QFY26, the company is expected to further increase clinker/cement capacity by 7.3mtpa/15.4mtpa to 42.2mtpa/71.8mtpa.
- It is setting up the following plants: 1) brownfield expansion of 3.7mtpa (clinker) and 6.0mtpa (cement) at Pali, Rajasthan (North); 2) brownfield expansion of 3.7mtpa (clinker) and 3.0mtpa (cement) at Kodla, Karnataka (South); 3) brownfield expansion of 3.4mtpa (cement) at Balodabazar, Chhattisgarh (East); and 4) Greenfield grinding unit at Etah, Western UP (Central).
- SRCM's expansion plans (up to 75mtpa) are largely focused on existing locations (North, East, and part of South). However, a significant part of the Central and West regions will remain untapped until FY27E. Historically, the company also has a higher share of split grinding unit addition in overall expansions (of the total ~42.9mtpa cement capacity, it added ~25.8mtpa through split GU during FY14-25E). However, this time, out of 15.4mtpa, it will add only 3.0mtpa (~19%) through split GU, while the rest 12.4mtpa is likely to be added at integrated cement plants.

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

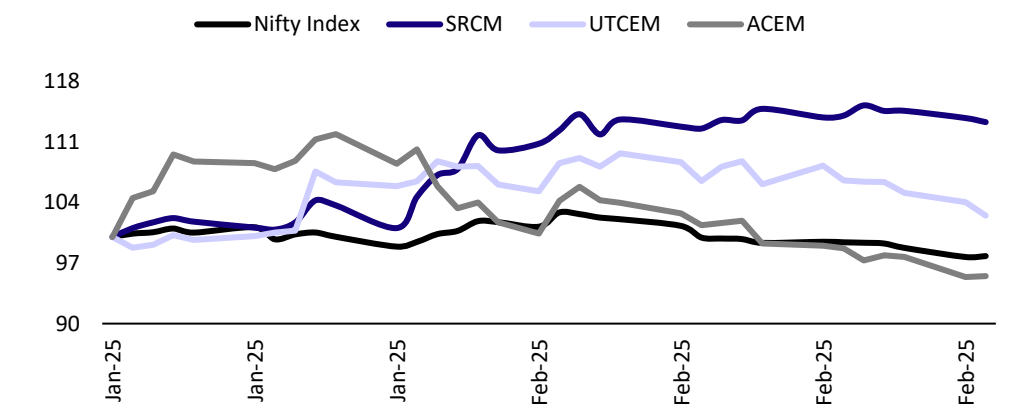
Research analyst - Mudit Agarwal (Mudit.Agarwal@MotilalOswal.com) | Abhishek Sheth (Abhishek.Sheth@MotilalOswal.com)

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

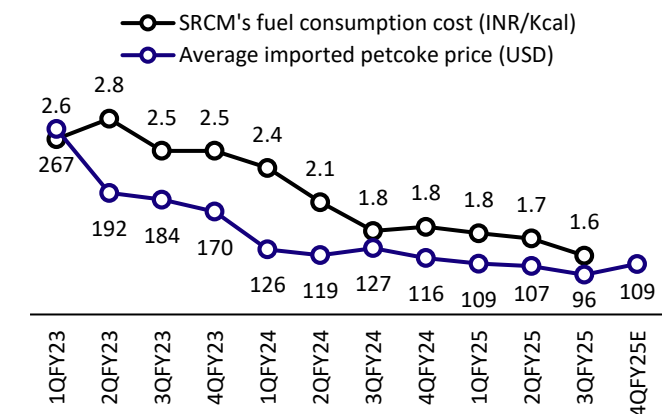
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuations expensive; reiterate Neutral

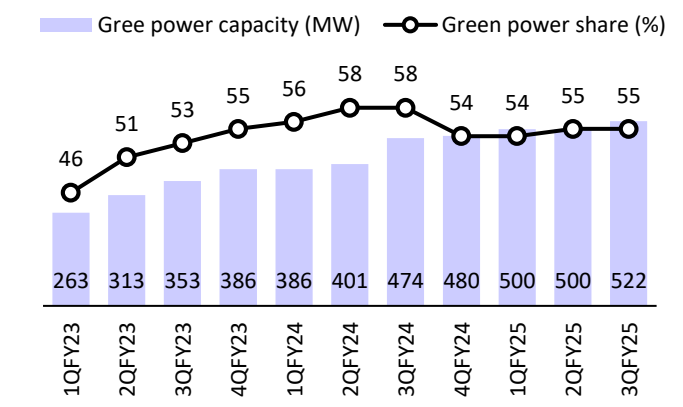
- SRCM is among the least-cost cement producers in the industry, supported by: 1) a higher share of green power (WHRS, solar, and wind power), which meets 55%+ of its power requirements; 2) higher alternative raw material consumption; and 3) lower specific power consumption (68Kwh/t of cement). However, we believe its cost leadership and operational efficiency benefits are already factored into current valuations. Additionally, low capacity utilization, limited regional diversification into newer capacity addition, and rising industry supply (expect ~50mtpa capacity addition in FY26) may constrain any capacity-led re-rating in the stock.
- The stock trades at 22x/18x FY26E/FY27E EV/EBITDA (vs. its 10-year average one-year forward EV/EBITDA of 20x). **We reiterate our Neutral rating and value SRCM at 17x FY27E EV/EBITDA to arrive at our TP of INR27,000.**

Exhibit 1: SRCM has outperformed the Nifty and other large players over the last one month

Source: MOFSL, Bloomberg; Note: Chart rebased to 100

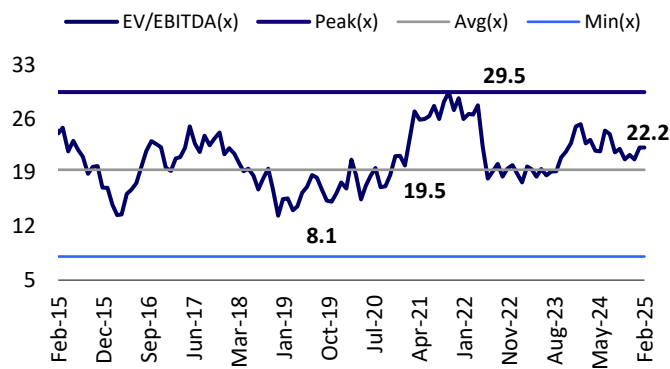
Exhibit 2: SRCM's fuel consumption cost vs. average imported petcoke price

Source: MOFSL, Company

Exhibit 3: SRCM's green power capacity and green power share

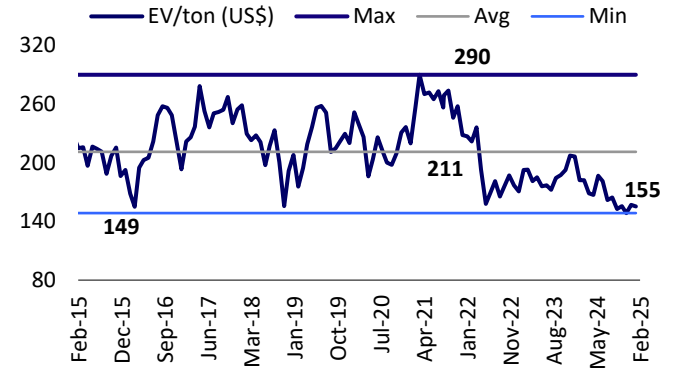
Source: MOFSL, Company

Exhibit 4: One-year forward EV/EBITDA ratio chart



Source: Company, MOFSL

Exhibit 5: One-year forward EV/t chart



Source: Company, MOFSL

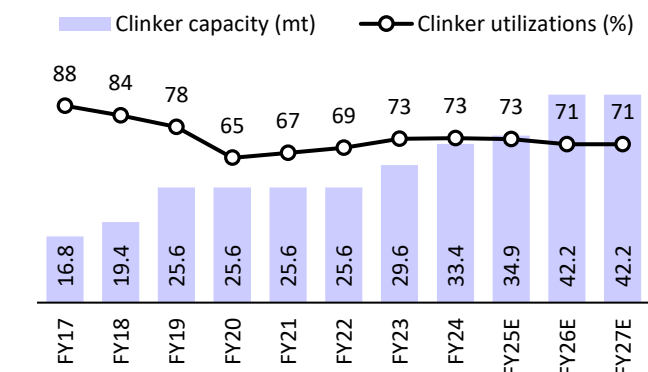
Story in charts

Exhibit 6: SRCM's capacity expansion plans to be commissioned in 1QFY26

Location	State	Cement plant type	Clinker (mtpa)	Cement (mtpa)	Region	Mode of expansion
Pali	Rajasthan	Integrated	3.7	6.0	North	Brownfield
Kodla	Karnataka	Integrated	3.7	3.0	South	Brownfield
Baloda Bazar	Chhattisgarh	Integrated	-	3.4	East	Brownfield
Etah	Western U.P.	Grinding Unit	-	3.0	Central	Greenfield
Total			7.4	15.4		

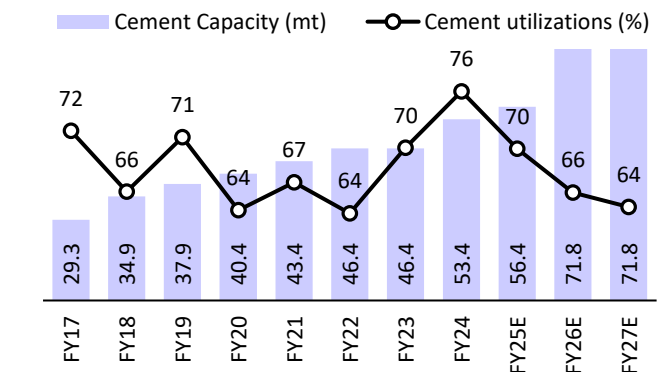
Source: MOFSL, Company; Note: USD1 is equal to INR79

Exhibit 7: SRCM's clinker capacity and utilizations



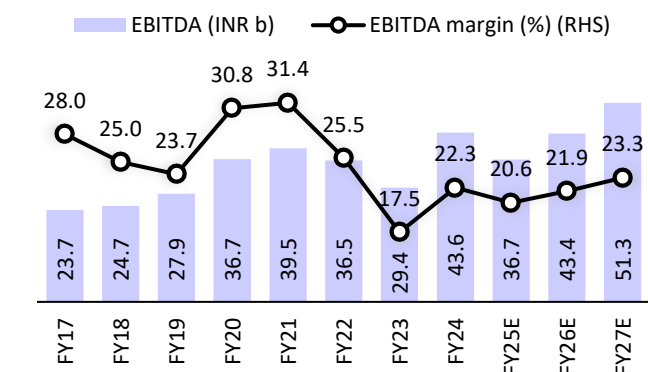
Source: MOFSL, Company

Exhibit 8: Grinding capacity and utilizations



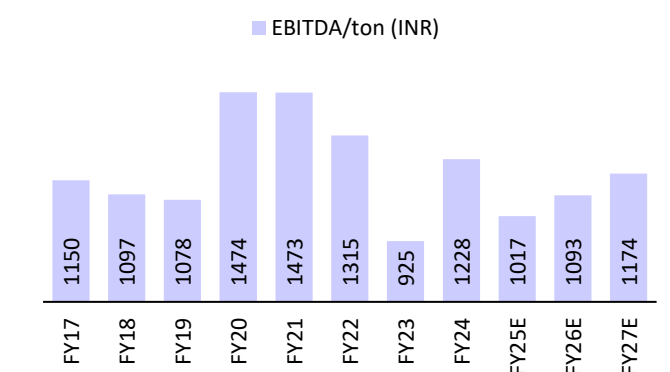
Source: MOFSL, Industry, Company

Exhibit 9: EBITDA to register a CAGR of 18% over FY25-27E

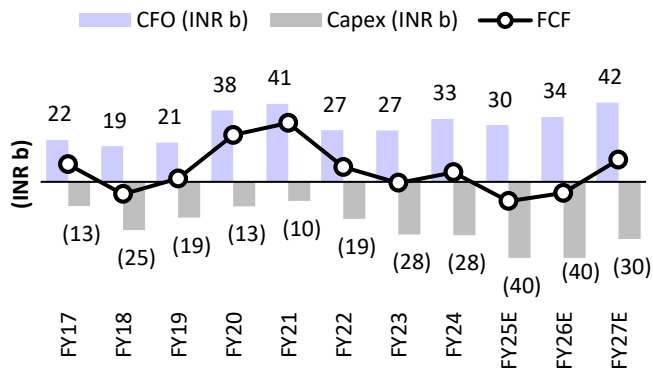


Source: MOFSL, Company

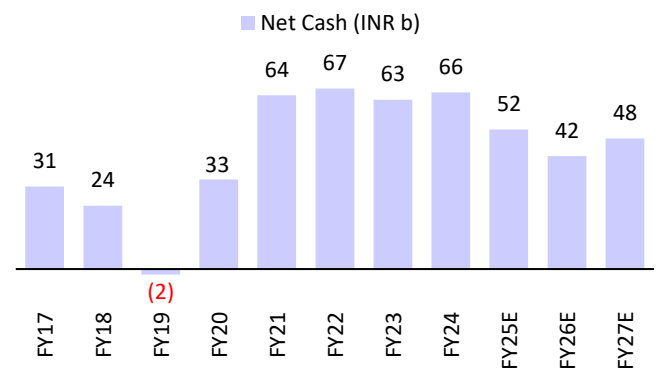
Exhibit 10: Blended EBITDA/t trend



Source: MOFSL, Company

Exhibit 11: Capex stepped up

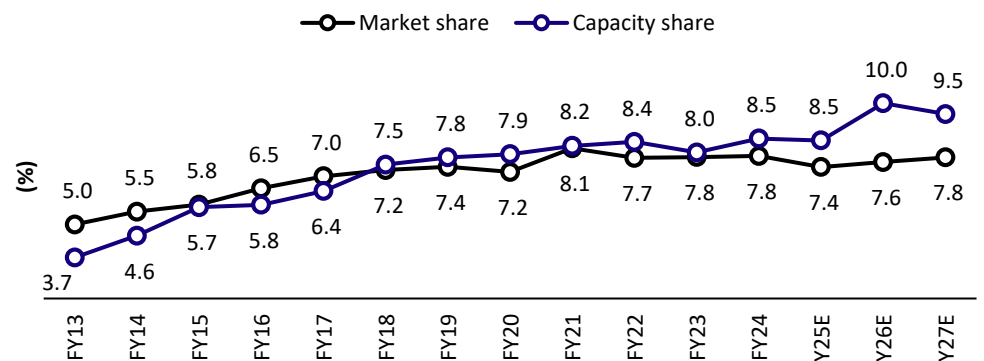
Source: MOFSL, Company

Exhibit 12: Remains a net cash company

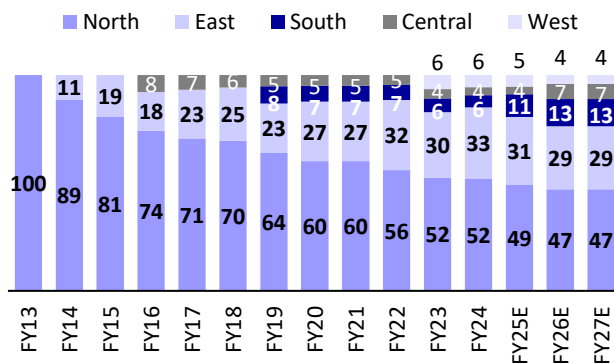
Source: MOFSL, Company

Growth stagnation: Capacity addition, not the answer

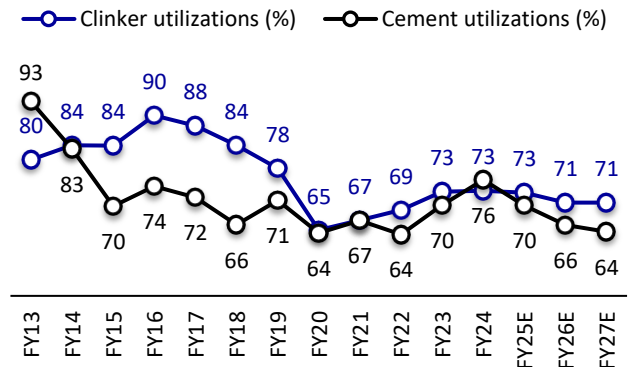
- During FY13-19, SRCM posted a volume CAGR of ~13% vs. the industry volume CAGR of ~5% during the same period supported by robust capacity growth (~19% CAGR), regional diversification (diversified into east and south regions), and strong execution capabilities. However, the company's volume CAGR moderated to ~6% over FY19-25E vs. the industry volume CAGR at ~5% during the same period due to modest capacity growth (~6% CAGR), lack of regional diversification, and changes in its marketing strategies (focus on brand equity and product premiumization).
- Now, despite a higher capacity addition of ~10.0mtpa (~22% growth) between Jul'23 and Apr'24, the company's sales volume in 9MFY25 remained flat YoY as compared to the industry volume growth of ~3-5% YoY during the same period. The company's capacity utilization has declined to ~60% in 9MFY25 from ~67%/68% in FY23/FY24.
- Going forward, the company is expected to commission grinding capacities of 15.4mtpa (+27%) in 1QFY26 at its existing markets – North (6mtpa), Western UP (3.0mtpa), South (3mtpa), and East (3.4mtpa). However, we believe these expansions have a limited scope for a full-scale ramp-up in the near to medium term given the lack of regional diversification, mounting industry supply (anticipate ~50mtpa capacity addition in FY26) and an expected cement demand growth of only ~6-7% in FY26.

Exhibit 13: SRCM's capacity share is increasing, however, market share remains constant

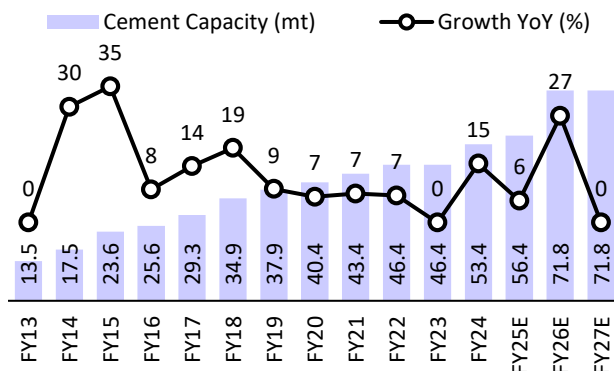
Source: Company, MOFSL

Exhibit 14: SRCM's regional distribution

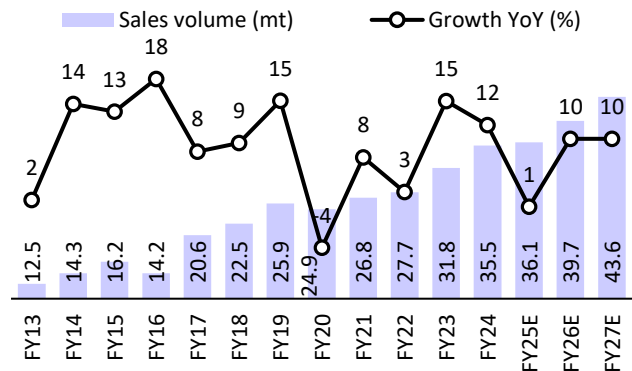
Source: MOFSL, Company;

Exhibit 15: Cement and clinker utilization declining

Source: MOFSL, Industry, Company

Exhibit 16: Grinding capacity and growth

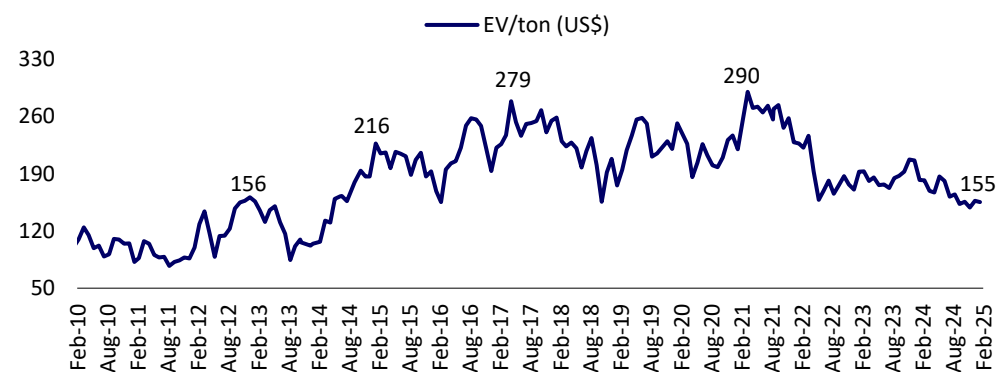
Source: MOFSL, Company

Exhibit 17: Sales volume and growth

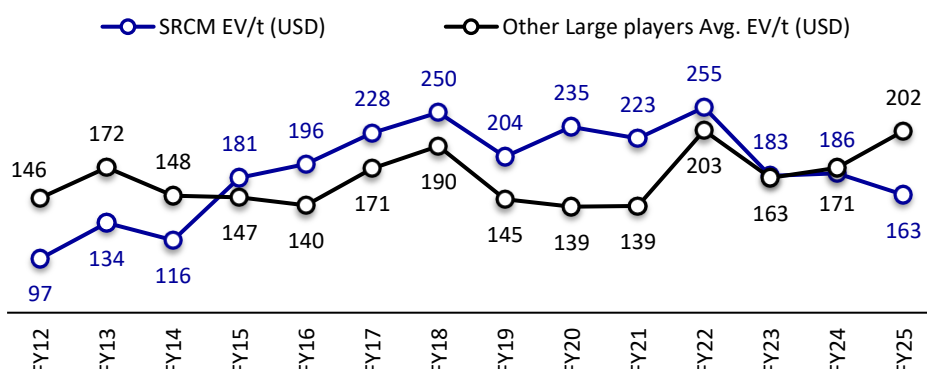
Source: MOFSL, Industry, Company

Execution risks loom; capacity-led re-rating unlikely

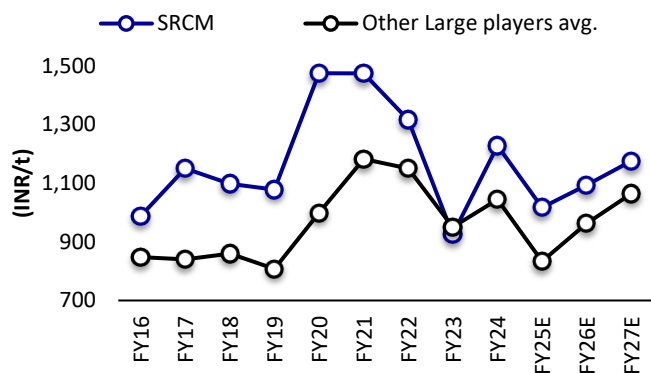
- SRCM witnessed a capacity-led re-rating over FY14-FY21 and trades at a premium valuation to most other large-cap players given its entry into newer geographies, higher capacity utilization, low-cost capacity expansions, market share gain, and a balanced distribution between integrated cement plants and split location grinding units.
- Based on an FY26E capacity of ~72mtpa, SRCM trades at an EV/tonne of USD156, which is at a 20%+ discount to its long-term average as well as to UTCM's current valuation. We believe capacity-led rerating is unlikely given the lower capacity utilization, increasing industry supply, lack of geographical distribution, and disproportionate mix of split grinding units and integrated cement plant (that was also due to delaying land acquisitions and other regulatory approvals).
- We continue to believe SRCM's expansion plans (up to 75mtpa) are largely focused on existing locations (North, East, and parts of South). However, a large part of the Central and West regions will remain untapped till FY27E.
- Further, SRCM's superiority in profitability and ROCE is narrowing as peers improve capital efficiency, carry out cost-saving initiatives, and leverage synergies from their large scale of operations.

Exhibit 18: SRCM's capacity-led re-rating unlikely

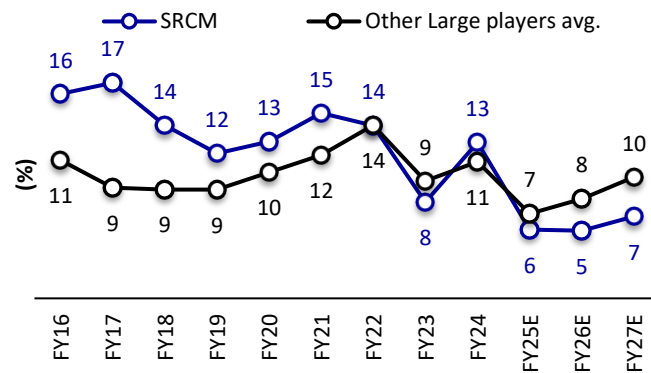
Source: Company, MOFSL

Exhibit 19: SRCM's average valuation (EV/t) vs. other large peers' average valuation

Source: Company, MOFSL; Note: Other large players are UTCM and ACEM; FY25 average is YTD

Exhibit 20: EBITDA/t gap narrowing vs. other large peers

Source: MOFSL, Company; Note: Other large players are UTCM and ACEM

Exhibit 21: ROCE – SRCM vs. other large peers' average

Source: MOFSL, Company; Note: Other large players are UTCM and ACEM

Standalone financials and valuations

Income Statement								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	1,19,301	1,26,037	1,43,297	1,68,375	1,95,855	1,77,673	1,98,251	2,19,740
Change (%)	1.4	5.6	13.7	17.5	16.3	-9.3	11.6	10.8
EBITDA	36,745	39,547	36,478	29,423	43,635	36,674	43,387	51,263
Margin (%)	30.8	31.4	25.5	17.5	22.3	20.6	21.9	23.3
Depreciation	16,994	11,399	10,365	15,462	16,147	28,441	33,022	34,830
EBIT	19,751	28,148	26,114	13,961	27,489	8,233	10,365	16,433
Int. and Finance Charges	2,865	2,471	2,178	2,689	2,643	2,240	2,243	2,124
Other Income – Rec.	2,716	4,580	5,373	4,315	5,611	5,530	5,370	5,442
PBT before EO Expense	19,602	30,257	29,309	15,586	30,456	11,522	13,492	19,751
EO Expense/(Income)	0	0	0	0	0	0	0	0
PBT after EO Expense	19,602	30,257	29,309	15,586	30,456	11,522	13,492	19,751
Tax	5,248	7,536	4,382	937	5,098	1,152	2,564	3,753
Deferred Tax	-1,348	-398	1,161	1,368	674	0	0	0
Tax Rate (%)	19.9	23.6	18.9	14.8	19.0	10.0	19.0	19.0
Reported PAT	15,702	23,119	23,766	13,281	24,684	10,370	10,929	15,998
Tax adjustment prior period	0	-103	-1,045	-1,543	0	0	0	0
Adj. PAT for EO items	15,702	23,017	22,721	11,739	24,684	10,370	10,929	15,998
Change (%)	46.0	46.6	-1.3	-48.3	110.3	-58.0	5.4	46.4
Margin (%)	13.2	18.3	15.9	7.0	12.6	5.8	5.5	7.3

Balance Sheet								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	361	361	361	361	361	361	361	361
Other Reserves	1,29,003	1,52,140	1,72,348	1,82,524	2,03,484	2,10,246	2,17,206	2,28,153
Total Reserves	1,29,003	1,52,140	1,72,348	1,82,525	2,03,486	2,10,248	2,17,208	2,28,155
Net Worth	1,29,364	1,52,501	1,72,709	1,82,885	2,03,847	2,10,609	2,17,569	2,28,516
Deferred Liabilities	-7438	-7855	-6695	-6686	-5992	-5992	-5992	-5992
Secured Loan	31,042	21,332	20,142	25,392	14,737	19,508	17,161	16,016
Unsecured Loan	400	0	0	0	0	0	0	0
Total Loans	31,442	21,332	20,142	25,392	14,737	19,508	17,161	16,016
Capital Employed	1,53,368	1,65,978	1,86,155	2,01,592	2,12,591	2,24,125	2,28,738	2,38,540
Gross Block	1,03,634	1,13,644	1,35,229	1,50,803	1,84,610	2,24,610	2,64,610	2,79,610
Less: Accum. Deprn.	60,445	71,729	82,014	97,476	1,13,623	1,42,064	1,75,086	2,09,916
Net Fixed Assets	43,189	41,916	53,215	53,327	70,987	82,546	89,524	69,694
Capital WIP	12,576	12,836	9,729	23,203	18,328	18,328	18,328	33,328
Financial investments	63,575	83,712	86,014	87,060	77,307	67,307	55,307	50,307
Strategic Investment	25,579	26,794	29,445	29,445	29,445	29,445	29,445	29,445
Curr. Assets	41,022	37,275	49,056	58,467	72,131	76,527	84,879	1,03,776
Inventory	14,279	14,772	21,614	24,226	31,462	29,206	32,589	36,122
Account Receivables	8,285	4,859	5,957	9,061	9,298	10,709	11,949	13,245
Cash and Bank Balance	1,082	2,098	1,183	1,193	2,971	3,951	3,761	14,173
Others	17,378	15,547	20,303	23,987	28,400	32,660	36,579	40,237
Curr. Liability and Prov.	32,574	36,555	41,304	49,911	55,610	50,030	48,747	48,013
Account Payables	32,470	36,430	41,160	49,756	55,454	49,874	48,591	47,857
Provisions	104	125	144	155	156	156	156	156
Net Current Assets	8,449	721	7,752	8,556	16,522	26,497	36,131	55,764
Appl. of Funds	1,53,368	1,65,978	1,86,155	2,01,592	2,12,591	2,24,125	2,28,738	2,38,540

Source: Company, MOFSL

Standalone financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	435	638	630	325	684	287	303	443
Cash EPS	471	316	287	429	448	788	915	965
BV/Share	3,585	4,227	4,787	5,069	5,650	5,837	6,030	6,333
DPS	110.0	60.0	90.0	100.0	105.0	100.0	110.0	140.0
Payout (%)	25.3	9.4	13.7	27.2	15.3	34.8	36.3	31.6
Valuation (x)								
P/E	64.7	44.2	44.7	86.6	41.2	98.0	93.0	63.5
Cash P/E	59.8	89.2	98.1	65.7	62.9	35.7	30.8	29.2
P/BV	7.9	6.7	5.9	5.6	5.0	4.8	4.7	4.4
EV/Sales	8.1	7.5	6.6	5.5	4.8	5.3	4.8	4.3
EV/EBITDA	26.4	23.7	25.8	31.6	21.4	25.8	22.0	18.2
EV/t (USD-Cap)	276	249	233	231	201	193	153	150
Dividend Yield (%)	0.4	0.2	0.3	0.4	0.4	0.4	0.4	0.5
Return Ratios (%)								
RoIC	25.8	39.2	33.4	15.6	26.9	6.6	7.3	11.3
RoE	13.9	16.3	14.0	6.6	12.8	5.0	5.1	7.2
RoCE	12.6	14.9	13.9	7.8	12.6	5.5	5.5	7.4
Working Capital Ratios								
Inventory (Days)	44	43	55	53	59	60	60	60
Debtor (Days)	25	14	15	20	17	22	22	22
Creditor (Days)	99	106	105	108	103	102	89	79
Working Capital Turnover (Days)	26	2	20	19	31	54	67	93
Leverage Ratio (x)								
Current Ratio	1.3	1.0	1.2	1.2	1.3	1.5	1.7	2.2
Net Debt/Equity ratio	-0.3	-0.4	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	19,602	30,257	29,309	15,586	30,456	11,522	13,492	19,751
Depreciation	16,994	11,399	10,365	15,462	16,147	28,441	33,022	34,830
Interest and Finance Charges	1,132	220	-849	-165	139	0	0	0
Direct Taxes Paid	-4,859	-7,439	-1,959	-3,287	-4,400	-1,152	-2,564	-3,753
(Inc.)/Dec. in WC	5,591	8,762	-7,321	967	-6,238	-8,995	-9,825	-9,220
CF from Operations	38,460	43,200	29,546	28,563	36,104	29,816	34,126	41,608
Others	-947	-2,264	-2,317	-1,520	-3,068	0	0	0
CF from Operations incl. EO	37,513	40,936	27,229	27,043	33,036	29,816	34,126	41,608
(Inc.)/Dec. in FA	-12,941	-9,984	-19,483	-27,619	-28,057	-40,000	-40,000	-30,000
Free Cash Flow	24,572	30,953	7,746	-576	4,979	-10,184	-5,874	11,608
(Pur.)/Sale of Investments	-42,478	-17,791	-77	3,737	14,555	10,000	12,000	5,000
Others	0	0	0	0	0	0	0	0
CF from Investments	-55,419	-27,774	-19,559	-23,882	-13,503	-30,000	-28,000	-25,000
Issue of Shares	23,833	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	1,175	-9,610	-2,707	2,669	-11,961	4,772	-2,348	-1,145
Interest Paid	-2,868	-2,514	-2,088	-2,574	-2,186	0	0	0
Dividend Paid	-6,231	-22	-3,789	-3,245	-3,790	-3,608	-3,969	-5,051
CF from Fin. Activity	15,910	-12,146	-8,584	-3,151	-17,937	1,164	-6,316	-6,196
Inc./Dec. in Cash	-1,997	1,016	-915	11	1,597	980	-190	10,412
Opening Balance	3,078	1,081	2,097	1,182	1,374	2,971	3,951	3,761
Closing Balance	1,081	2,097	1,183	1,193	2,971	3,951	3,761	14,173

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

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

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