

KEI Industries

BSE SENSEX 74,227
S&P CNX 22,536

CMP: INR2,600 **TP: INR3,000 (+15%)** **Neutral**



| Bloomberg | KEII IN |
|-----------------------|-------------|
| Equity Shares (m) | 96 |
| M.Cap.(INRb)/(USDb) | 247.5 / 2.9 |
| 52-Week Range (INR) | 5040 / 2424 |
| 1, 6, 12 Rel. Per (%) | -20/-28/-31 |
| 12M Avg Val (INR M) | 1677 |
| Free float (%) | 65.0 |

Financials & Valuations (INR b)

| Y/E MARCH | FY25E | FY26E | FY27E |
|----------------------|-------|-------|-------|
| Sales | 94.6 | 108.9 | 125.8 |
| EBITDA | 9.4 | 11.0 | 13.4 |
| Adj. PAT | 6.6 | 7.5 | 8.8 |
| EBITA Margin (%) | 10.0 | 10.1 | 10.6 |
| Cons. Adj. EPS (INR) | 68.9 | 78.9 | 92.4 |
| EPS Gr. (%) | 7.1 | 14.4 | 17.2 |
| BV/Sh. (INR) | 606 | 679 | 765 |

Ratios

| | | | |
|------------|-------|-------|-------|
| Net D:E | (0.3) | (0.3) | (0.3) |
| RoE (%) | 14.7 | 12.3 | 12.8 |
| RoCE (%) | 15.1 | 12.7 | 13.3 |
| Payout (%) | 7.0 | 7.6 | 6.5 |

Valuations

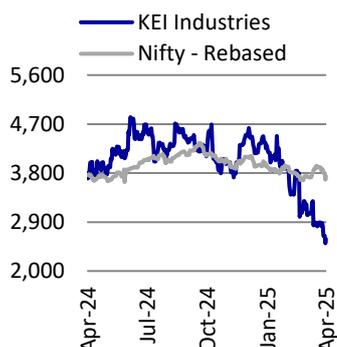
| | | | |
|---------------|-------|-------|------|
| P/E (x) | 37.7 | 33.0 | 28.1 |
| P/BV (x) | 4.3 | 3.8 | 3.4 |
| EV/EBITDA (x) | 24.2 | 20.8 | 17.1 |
| Div Yield (%) | 0.2 | 0.2 | 0.2 |
| FCF Yield (%) | (2.7) | (0.2) | 0.4 |

Shareholding pattern (%)

| As On | Dec-24 | Sep-24 | Dec-23 |
|----------|--------|--------|--------|
| Promoter | 35.0 | 37.1 | 37.1 |
| DII | 20.7 | 16.0 | 16.1 |
| FII | 29.8 | 31.1 | 31.0 |
| Others | 14.5 | 15.8 | 15.9 |

FII Includes depository receipts

Stock's performance (one-year)



Capacity expansion to drive growth

We met with KEII's management to gain insights into near-term industry trends and the company's growth outlook. Management indicated that demand remains strong for cables, led by an increase in government capex activities. The demand for wires has also improved, supported by an improvement in real estate demand and higher copper prices, which are encouraging inventory stocking. The company has maintained its revenue growth target of ~18% in FY25E/26E and ~20% in FY27E. With rising demand from power transmission, industrial infrastructure, real estate, and data centers, KEII is strengthening its manufacturing capabilities through brownfield expansions and a new greenfield facility in Sanand, Gujarat. The company is also enhancing its backward integration efforts to improve cost efficiency and supply security. Additionally, management remains focused on expanding its retail presence, optimizing its product mix, and capitalizing on industry tailwinds to sustain long-term growth. Considering recent concerns around growth and RM cost volatility following reciprocal tariff announcements by the US, we have cut our EPS estimates by ~4%/8% for FY26/FY27. This revision reflects reduced margin estimates, as we now factor in stable margins for both cables and wires. KEII has corrected by ~25% in the past month, following announcements by UTCCEM and Adani Group regarding their entry into the Cables & Wires (C&W) segment. The stock now trades fairly at 33x/28x FY26E/27E EPS. We maintain our Neutral rating on the stock and value KEII at 32x FY27E EPS to arrive at our TP of INR3,000.

Industry growth and KEII's strategic positioning

- The Indian C&W industry is witnessing strong growth, with an estimated market size of INR900b. The market has clocked a CAGR of ~10% over the last 12 years, with organized players increasing their share from ~35% in FY15 to ~70% currently. The sector is projected to post a CAGR of ~11-13% over FY24-27, reaching INR1.2t by FY27E, driven by factors such as infrastructure expansion, increasing construction activity, and growing digital connectivity. Among key segments, power transmission cables hold the largest market share (28-30%), followed by building wires (21-23%).
- According to industry data, the revenue share of our coverage companies (HAVL, POLYCAB, KEII, and RRKABEL) increased to ~44% in FY24 vs ~26% in FY19. Considering historical data and various industry estimates (sectoral growth of ~13%), the industry size is projected to reach INR1.2b-INR1.3t by FY28, which is likely when UTCCEM's capacity will become fully operational. This implies ~5-6% of industry size at peak capacity utilization. Notably, UTCCEM's management recently indicated that there are no plans to increase allocated capex for the C&W segment in the near future.
- As one of the leading players in the industry, KEII is well-positioned to capitalize on this industry growth through strategic capacity expansion, backward integration, and operational efficiency. The company has significantly scaled up its production, with cable capacity increasing ~36% and wires capacity rising ~27% in 1HFY25, compared to FY24-end levels.

- Cable capacity utilization stood at ~83-85% in Q3FY25 and is projected to reach ~85% by Q4FY25. This expansion is driven by a mix of brownfield and greenfield projects, ensuring long-term scalability.
- KEI maintains high asset utilization (10x for brownfield projects) and a disciplined capex approach. With FY24 capacity utilization at ~71%, the company ensures steady RoCE and profitability.
- To enhance cost efficiency, KEI has implemented backward integration for PVC compound manufacturing, which is currently operating at ~70-75% utilization, with room for further expansion. Going forward, KEI has significant scope to increase its backward integration, thereby improving self-sufficiency, optimizing margins, and reinforcing its pursuit of ambitious growth targets.
- KEI expects a volume CAGR of ~17% over FY25-27E, with overall revenue growth of ~18% in both FY25 and FY26, and ~20% in FY27. Exports are expected to reach INR2b, driven primarily by ESP product shipments to the US.

Capacity expansion, marketing strategies, and key growth segments

- KEI continues to expand capacity in its wires segment with annual additions. Cable capacity expansion typically takes 1.5 years, with greenfield projects requiring about two years and brownfield expansions taking roughly one year.
- KEI is investing INR19b in LT, HT, and EHV cables, with an expected revenue potential of INR58b, while aiming to maintain RoCE in line with its established performance standards.
- The company's upcoming Sanand plant is strategically located near key ports and copper suppliers in Gujarat, enabling optimized logistics costs and reduced raw material procurement costs.
- Chinchpada plant expansion: During 9MFY25, KEI incurred a capex of INR570m for the expansion of its Chinchpada plant. The brownfield expansions at Chinchpada and Pathredi have been completed, adding capacity for wires and power cables. Following the expansion, capacity utilization improved across key segments—with cables at ~85%, house wires at ~69.7%, and stainless steel wires at ~91%. This investment is expected to drive volume growth of 16-17% in FY25. To support this growth and improve production efficiency, the company has installed new equipment, including a 32-wire multi-wire drawing machine, additional bunchers, and machines for HT and LT cables.
- **Key growth drivers:** a) industrial segments (cement, fertilizers, etc.) rely on robust cabling infrastructure for manufacturing and operations. Demand is supported by capacity expansions, modernization, and higher industrial capex; b) the rapid growth of cloud computing and digitalization is driving significant investments in data centers, which require specialized, high-performance cabling solutions. KEI is well-positioned to cater to this high-growth segment; c) the transmission sector plays a critical role in India's power value chain, ensuring efficient energy flow from generating stations to demand centers; d) with increasing rural development, demand for additional electrification is expected to rise. Government programs continue to support the extension of power networks. With increasing infrastructure development and electrification projects, demand for extra high voltage (EHV) and high-tension (HT) cables is rising. KEI's increased focus on these segments positions it well to capture growth opportunities.

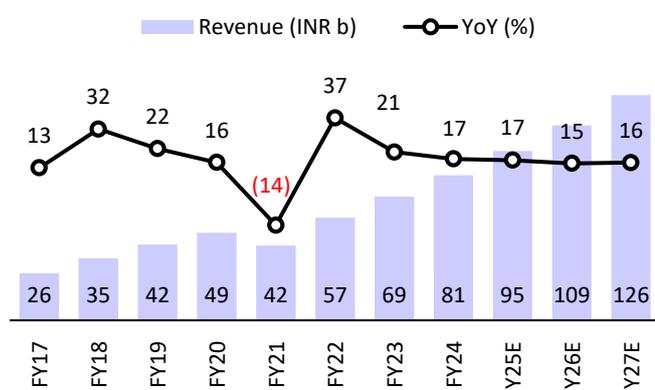
- KEI's top 10 customers contribute ~12-14% of total revenue, while dealers hold 15-20 days of inventory. Retail prices are adjusted every 15-20 days to reflect raw material fluctuations. However, KEI's effective cost management minimizes the impact on annual profitability. The company aims to increase the retail segment's share to ~50% by FY26 (from ~47% in FY24). To support this goal, KEI has expanded its dealer network to over 2,100 in FY25 (from 1,990 in FY24).
- For smaller projects, ~50% of revenue comes from retail, 22-23% from wires, and the rest from LT and medium tension cables, ensuring a balanced product mix. For institutional orders, the company typically maintains 3-4 months of inventory to ensure smooth execution.

Valuation and view

- KEI has corrected by ~25% in the past month following announcements by UTCEM and Adani Group regarding their entry into the cables & wires segment. We had anticipated a negative reaction for C&W companies and subsequently downgraded our rating on KEI and RRRKABEL to Neutral, expecting a de-rating in valuation multiples following the announcement of entry by sizeable players in this business ([Link](#)). That said, KEI's business fundamentals remain strong, and we do not foresee any financial impact over the next two years, as: 1) UTCEM's plant is expected to be commissioned by Dec'26 ([Link](#)), and 2) Adani Group has not yet announced its capex plans in this segment ([Link](#)).
- We have reduced our margin estimates and now factor in stable margin for cables in FY26E/27E, resulting in a 4%/8% EPS reduction for FY26E/27E. We expect KEI's EPS to clock a 16% CAGR over FY25-27E. The stock now trades fairly at 33x/28x FY26E/27E EPS. We maintain our Neutral rating on the stock and value KEI at 32x FY27E EPS to arrive at our TP of INR3,000.

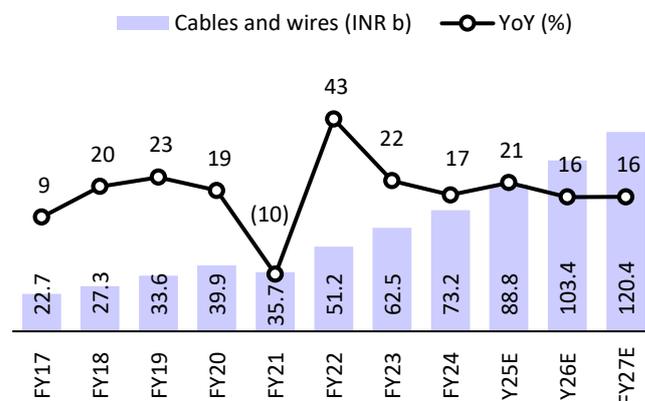
Story in charts

Exhibit 1: Revenue CAGR to reach ~15% over FY25-27E



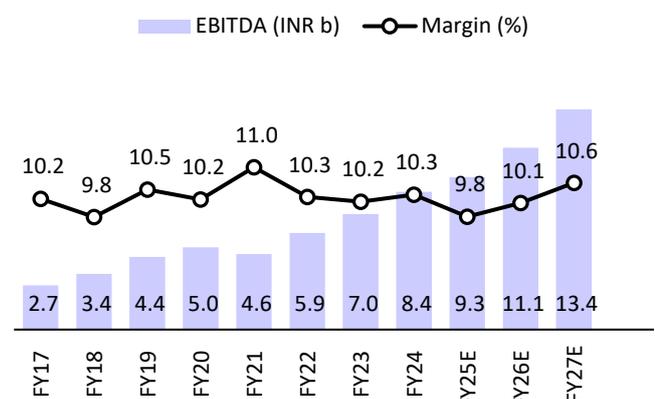
Source: MOFSL, Company

Exhibit 2: C&W Revenue CAGR to reach ~16% over FY25-27E



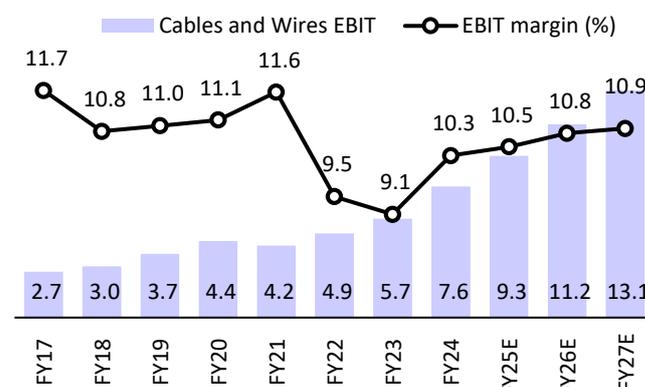
Source: MOFSL, Company

Exhibit 3: EBITDA CAGR to reach ~20% over FY25-27E



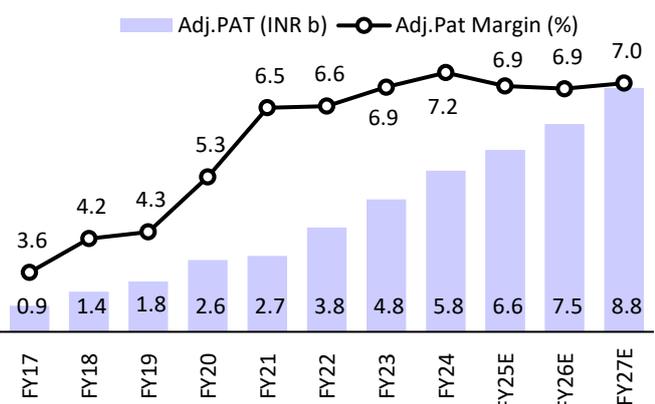
Source: MOFSL, Company

Exhibit 4: C&W EBIT CAGR to reach ~19% over FY25-27E



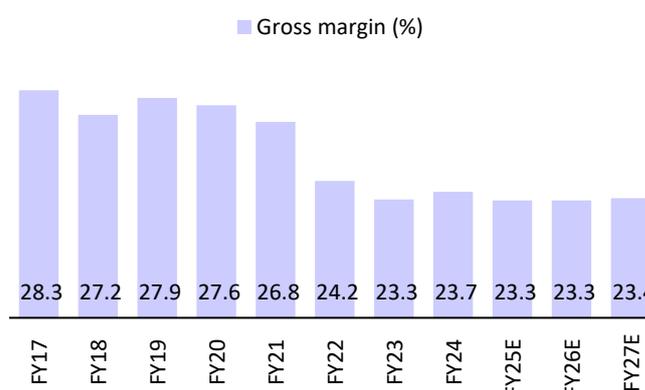
Source: MOFSL, Company

Exhibit 5: Adj PAT CAGR to reach ~17% over FY25-27E



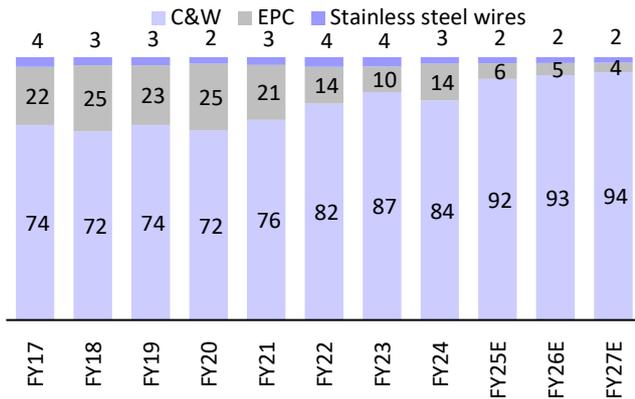
Source: MOFSL, Company; Note: 1QFY25YTD

Exhibit 6: Gross margin to expand over the years



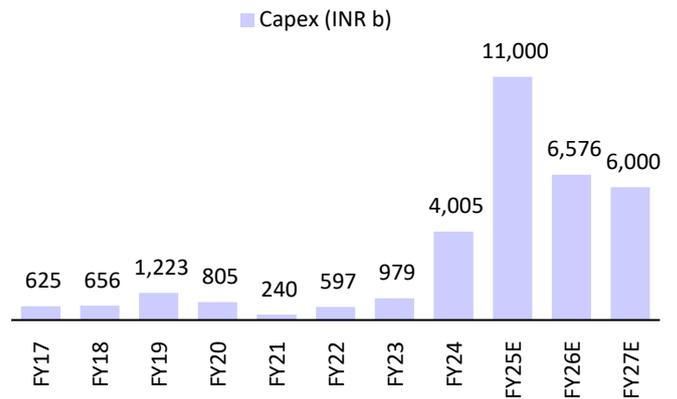
Source: MOFSL, Company

Exhibit 7: % Revenue split between products



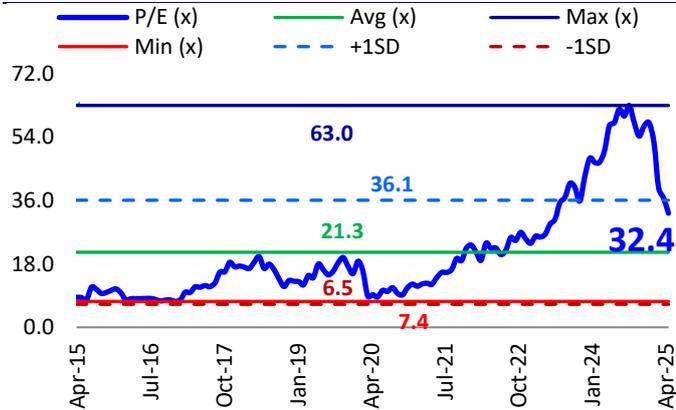
Source: MOFSL, Company

Exhibit 8: Capex increased in FY25



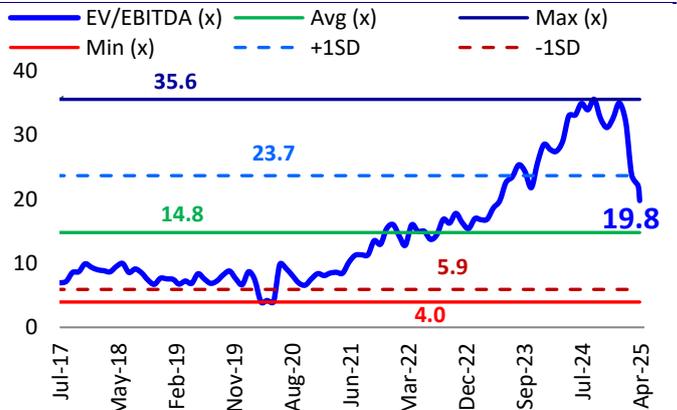
Source: MOFSL, Company

Exhibit 9: One-year forward P/E chart



Source: MOFSL, Company

Exhibit 10: One-year forward EV/EBITDA chart



Source: MOFSL, Company

Financials and valuations (Consolidated)

| Income Statement | | | | | | | | (INR M) |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
| Net Sales | 48,878 | 41,815 | 57,270 | 69,082 | 81,041 | 94,552 | 1,08,907 | 1,25,814 |
| Change (%) | 15.6 | (14.4) | 37.0 | 20.6 | 17.3 | 16.7 | 15.2 | 15.5 |
| EBITDA | 4,996 | 4,605 | 5,887 | 7,020 | 8,375 | 9,442 | 11,025 | 13,358 |
| % of Net Sales | 10.2 | 11.0 | 10.3 | 10.2 | 10.3 | 10.0 | 10.1 | 10.6 |
| Depreciation | 567 | 578 | 555 | 571 | 614 | 715 | 1,159 | 1,747 |
| Interest | 1,292 | 573 | 404 | 347 | 439 | 561 | 590 | 661 |
| Other Income | 165 | 201 | 146 | 318 | 490 | 643 | 798 | 859 |
| PBT | 3,302 | 3,655 | 5,075 | 6,420 | 7,813 | 8,808 | 10,074 | 11,808 |
| Tax | 716 | 921 | 1,315 | 1,647 | 2,002 | 2,257 | 2,582 | 3,026 |
| Rate (%) | 21.7 | 25.2 | 25.9 | 25.7 | 25.6 | 25.6 | 25.6 | 25.6 |
| Extra-ordinary Inc.(net) | - | - | - | - | 2.1 | - | - | - |
| Reported PAT | 2,586 | 2,734 | 3,760 | 4,773 | 5,813 | 6,550 | 7,492 | 8,782 |
| Change (%) | 42.3 | 5.7 | 37.5 | 26.9 | 21.8 | 12.7 | 14.4 | 17.2 |
| Adjusted PAT | 2,586 | 2,734 | 3,760 | 4,773 | 5,811 | 6,550 | 7,492 | 8,782 |
| Change (%) | 42.3 | 5.7 | 37.5 | 26.9 | 21.7 | 12.7 | 14.4 | 17.2 |

| Balance Sheet | | | | | | | | (INR M) |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
| Share Capital | 179 | 180 | 180 | 180 | 180 | 190 | 190 | 190 |
| Reserves | 14,889 | 17,597 | 21,175 | 25,711 | 31,302 | 57,387 | 64,309 | 72,521 |
| Net Worth | 15,068 | 17,776 | 21,355 | 25,892 | 31,483 | 57,577 | 64,499 | 72,711 |
| Loans | 3,151 | 2,850 | 3,314 | 1,353 | 1,342 | 1,342 | 1,042 | 742 |
| Deferred Tax Liability | 310 | 296 | 294 | 266 | 273 | 273 | 273 | 273 |
| Capital Employed | 18,528 | 20,922 | 24,963 | 27,511 | 33,098 | 59,192 | 65,814 | 73,726 |
| Gross Fixed Assets | 6,298 | 6,631 | 7,733 | 8,668 | 11,312 | 12,536 | 26,112 | 32,112 |
| Less: Depreciation | 1,309 | 1,869 | 2,424 | 2,995 | 3,608 | 4,324 | 5,483 | 7,230 |
| Net Fixed Assets | 4,989 | 4,761 | 5,309 | 5,673 | 7,703 | 8,212 | 20,629 | 24,882 |
| Capital WIP | 112 | 71 | 165 | 146 | 1,224 | 11,000 | 4,000 | 4,000 |
| Investments | 6 | 9 | 20 | 13 | 16 | 16 | 16 | 16 |
| Curr. Assets | 27,579 | 25,295 | 29,776 | 31,870 | 37,636 | 54,558 | 57,680 | 63,902 |
| Inventory | 8,638 | 7,682 | 10,794 | 11,023 | 13,427 | 15,025 | 17,007 | 19,648 |
| Debtors | 13,676 | 13,496 | 13,955 | 13,878 | 15,179 | 17,356 | 19,394 | 22,405 |
| Cash & Bank Balance | 2,143 | 2,212 | 3,600 | 5,372 | 7,004 | 20,073 | 18,856 | 19,050 |
| Loans & Advances | 154 | 220 | 16 | 24 | 27 | 31 | 36 | 41 |
| Other Current Assets | 2,969 | 1,685 | 1,410 | 1,573 | 2,000 | 2,072 | 2,387 | 2,758 |
| Current Liab. & Prov. | 14,158 | 9,214 | 10,307 | 10,191 | 13,482 | 14,593 | 16,511 | 19,074 |
| Creditors | 11,690 | 7,414 | 7,626 | 7,482 | 10,079 | 11,139 | 12,532 | 14,477 |
| Other Liabilities | 2,277 | 1,658 | 2,538 | 2,469 | 3,106 | 3,109 | 3,580 | 4,136 |
| Provisions | 192 | 142 | 143 | 240 | 296 | 346 | 398 | 460 |
| Net Current Assets | 13,421 | 16,081 | 19,469 | 21,679 | 24,155 | 39,964 | 41,170 | 44,828 |
| Application of Funds | 18,528 | 20,922 | 24,963 | 27,511 | 33,098 | 59,192 | 65,814 | 73,726 |

Financials and valuations (Consolidated)

Ratios

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| Adjusted EPS | 28.9 | 30.4 | 41.7 | 52.9 | 64.4 | 68.9 | 78.9 | 92.4 |
| Growth (%) | 25.5 | 5.3 | 37.2 | 26.8 | 21.7 | 7.1 | 14.4 | 17.2 |
| Cash EPS | 35.2 | 36.9 | 47.9 | 59.3 | 71.2 | 76.5 | 91.1 | 110.8 |
| Book Value | 168.3 | 197.8 | 237.0 | 287.1 | 348.9 | 606.1 | 678.9 | 765.4 |
| DPS | 1.5 | 2.0 | 2.5 | 3.0 | 3.5 | 4.0 | 5.0 | 5.0 |
| Payout (incl. Div. Tax.) | 10.7 | 6.6 | 6.0 | 5.7 | 4.8 | 7.0 | 7.6 | 6.5 |
| Valuation (x) | | | | | | | | |
| P/Sales | 4.8 | 5.6 | 4.1 | 3.4 | 2.9 | 2.6 | 2.3 | 2.0 |
| P/E | 90.0 | 85.5 | 62.3 | 49.1 | 40.4 | 37.7 | 33.0 | 28.1 |
| Cash P/E | 73.8 | 70.5 | 54.3 | 43.9 | 36.5 | 34.0 | 28.6 | 23.5 |
| EV/EBITDA | 46.8 | 50.9 | 39.7 | 32.8 | 27.3 | 24.2 | 20.8 | 17.1 |
| EV/Sales | 4.8 | 5.6 | 4.1 | 3.3 | 2.8 | 2.4 | 2.1 | 1.8 |
| Price/Book Value | 15.4 | 13.1 | 11.0 | 9.1 | 7.5 | 4.3 | 3.8 | 3.4 |
| Dividend Yield (%) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| Profitability Ratios (%) | | | | | | | | |
| RoE | 22.6 | 16.6 | 19.2 | 20.2 | 20.3 | 14.7 | 12.3 | 12.8 |
| RoCE | 22.6 | 16.0 | 17.7 | 19.2 | 20.3 | 15.1 | 12.7 | 13.3 |
| RoIC | 25.0 | 17.2 | 19.7 | 22.1 | 24.0 | 19.9 | 17.1 | 17.0 |
| Turnover Ratios | | | | | | | | |
| Debtors (Days) | 102 | 118 | 89 | 73 | 68 | 67 | 65 | 65 |
| Inventory (Days) | 65 | 67 | 69 | 58 | 60 | 58 | 57 | 57 |
| Creditors. (Days) | 87 | 65 | 49 | 40 | 45 | 43 | 42 | 42 |
| Asset Turnover (x) | 2.6 | 2.0 | 2.3 | 2.5 | 2.4 | 1.6 | 1.7 | 1.7 |
| Leverage Ratio | | | | | | | | |
| Net Debt/Equity (x) | 0.1 | 0.0 | (0.0) | (0.2) | (0.2) | (0.3) | (0.3) | (0.3) |

Cash Flow Statement

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|------------------------------|--------------|----------------|--------------|----------------|----------------|-----------------|----------------|----------------|
| (INR M) | | | | | | | | |
| PBT before EO Items | 3,279 | 3,654 | 5,075 | 6,420 | 7,811 | 8,808 | 10,074 | 11,808 |
| Add : Depreciation | 567 | 578 | 555 | 571 | 614 | 715 | 1,159 | 1,747 |
| Interest | 1,276 | 554 | 404 | 347 | 439 | 561 | 590 | 661 |
| Less : Direct Taxes Paid | 947 | 903 | 1,247 | 1,776 | 2,045 | 2,257 | 2,582 | 3,026 |
| (Inc)/Dec in WC | 4,365 | 2,420 | 2,505 | 349 | 689 | 2,740 | 2,423 | 3,464 |
| Others | 61 | 76 | 4 | (74) | (24) | (643) | (798) | (859) |
| CF from Operations | (130) | 1,539 | 2,286 | 5,139 | 6,105 | 4,444 | 6,020 | 6,867 |
| (Inc)/Dec in FA | (805) | (240) | (597) | (979) | (4,005) | (11,000) | (6,576) | (6,000) |
| Free Cash Flow | (936) | 1,299 | 1,688 | 4,160 | 2,100 | (6,556) | (556) | 867 |
| (Pur)/Sale of Investments | 783 | 952 | (8) | (547) | 265 | - | - | - |
| Others | 133 | 42 | 22 | 156 | 209 | 643 | 798 | 859 |
| CF from Investments | 110 | 754 | (584) | (1,371) | (3,531) | (10,357) | (5,778) | (5,141) |
| (Inc)/Dec in Net Worth | 5,020 | 79 | 56 | 20 | 11 | 20,000 | - | - |
| (Inc)/Dec in Debt | (1,062) | (714) | 666 | (1,961) | (9) | - | (300) | (300) |
| Less : Interest Paid | 2,558 | 471 | 404 | 347 | 439 | 561 | 590 | 661 |
| Dividend Paid | 276 | 180 | 224 | 271 | 281 | 456 | 570 | 570 |
| Others | (131) | - | (408) | - | (225) | - | - | - |
| CF from Fin. Activity | 994 | (1,286) | (314) | (2,559) | (942) | 18,983 | (1,460) | (1,531) |
| Inc/Dec of Cash | 974 | 1,007 | 1,388 | 1,208 | 1,632 | 13,070 | (1,218) | 194 |
| Add: Beginning Balance+FD | 1,169 | 1,205 | 2,212 | 4,163 | 5,372 | 7,004 | 20,073 | 18,856 |
| Closing Balance | 2,143 | 2,212 | 3,600 | 5,372 | 7,004 | 20,073 | 18,856 | 19,050 |

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. 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://onlinereports.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

- 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 dpgrievances@motilaloswal.com.