

Shree Cement

Estimate change 

TP change 

Rating change 

Bloomberg	SRCM IN
Equity Shares (m)	36
M.Cap.(INRb)/(USDb)	968.1 / 11.2
52-Week Range (INR)	30738 / 23500
1, 6, 12 Rel. Per (%)	6/5/-12
12M Avg Val (INR M)	1076

Financial Snapshot (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	177.7	198.3	219.7
EBITDA	36.7	43.4	51.3
Adj. PAT	10.4	10.9	14.0
EBITDA Margin (%)	20.6	21.9	23.3
Cons. Adj. EPS (INR)	289	301	389
EPS Gr. (%)	-57.8	4.2	29.2
BV/Sh. (INR)	5,838	6,029	6,298

Ratios

Net D:E	-0.3	-0.2	-0.2
RoE (%)	5.0	5.1	6.3
RoCE (%)	5.5	5.5	6.6
Payout (%)	34.6	36.5	30.9

Valuations

P/E (x)	92.9	89.1	69.0
P/BV (x)	4.6	4.4	4.3
EV/EBITDA(x)	24.4	20.9	17.9
EV/ton (USD)	188	164	145
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	-0.9	-0.6	0.2

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	62.6	62.6	62.6
DII	15.0	14.5	12.6
FII	9.9	10.4	12.3
Others	12.5	12.6	12.6

FII includes depository receipts

CMP: INR26,831

TP: INR26,640 (-1%)

Neutral

Better cost savings drive higher-than-estimated EBITDA/t

Capacity utilization stands at ~58% for 3QFY25 vs. 68% for 3QFY24

- Shree Cement (SRCM)'s 3QFY25 EBITDA declined ~23% YoY to INR9.5b (~5% above our estimates, led by better cost control). EBITDA/t declined 22% YoY to INR1,079 (+8% vs. our estimate). OPM contracted 2.8pp YoY to ~22% (est. ~20%). PAT declined ~69% YoY to INR2.3b (in line).
- Management indicated that cement demand is expected to improve, led by anticipated growth in rural consumption, sustained healthy demand for urban housing, and an expected increase in government spending on infrastructure projects. The company's 15.4mtpa cement capacity expansion projects are nearing completion, with all projects likely to be commissioned in 1QFY26. Its green power capacity has been increased to 522MW vs. 480MW at the beginning of FY25.
- We have largely maintained our EBITDA estimates for FY25-27. However, our EPS estimates for FY26/27 have been reduced by ~6-8% due to higher depreciation from new capacities, which are likely to be commissioned in 1QFY26. The stock trades fairly at 21x/18x FY26E/FY27E EV/EBITDA.

Reiterate Neutral rating with a TP of INR26,640.

Volumes decline 1% YoY; opex/t down 9% YoY

- Standalone revenue/EBITDA/PAT stood at INR42.4b/INR9.5b/INR2.3b (down 14%/23%/69% YoY and down 8%/up 5%/down 3% vs. our estimates) in 3QFY25. Sales volumes declined 1% YoY to 8.77mt. Blended realization declined 12% YoY (-2% QoQ) to INR4,830/t (5% below our estimate), while cement realization improved 3% QoQ to INR4,580/t.
- Opex/t declined 9% YoY (8% below our estimate), led by a 12%/21% YoY decline in variable cost/other expenses, while freight cost per ton was up ~3%. OPM contracted 2.8pp YoY to ~22% and EBITDA/t declined 22% YoY to INR1,079. Depreciation was up 116% YoY, while interest/other income declined 6%/15%.
- In 9MFY25, revenue/EBITDA/PAT stood at INR128b/INR24.6b/INR6.4b (down 11%/19%/65% YoY). Volumes were flat YoY, while blended realization declined ~11% YoY. EBITDA/t declined 19% YoY to INR944. We expect revenue/EBITDA/PAT to decline 2%/9%/39% YoY in 4QFY25. We estimate 6% YoY volume growth in 4QFY25 and EBITDA/t of INR1,204 vs. INR1,392/INR1,079 in 4QFY25/3QFY25.

Highlights from the management commentary

- Avg. fuel cost declined to INR1.55/Kcal vs. INR1.71/kcal in 2QFY25. The fuel consumption cost is currently at the same level. The share of green power in the total electricity consumption stood at 55.1% vs. 54.8% in 2QFY25. Further, improved cost control was driven by a reduction in other expenses.
- The company has started operations of its state-of-the-art, end-to-end solid waste feeding system for municipal solid waste consumption at one of its locations, and this system is being replicated at other plants too. This initiative will help increase the share of alternative fuel and improve the TSR level.
- Capex is pegged at INR38-40b for FY25; it stood at INR32b in 9MFY25. The full-year FY25 depreciation is estimated at INR28b.

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.

Valuation and view

- SRCM's reported EBITDA/t in 3QFY25 was higher than estimates, led by better cost control (reduction in other expenses and lower fuel consumption cost). The company's strategy of prioritizing premium, high-value products, coupled with a sharp focus on brand enhancement, strengthening the dealer network, and optimizing the geo-mix, has enabled it to improve sale volumes QoQ. Additionally, its premium product share stood at 15% (+10bp QoQ). SRCM continues to be one of the least cost producers in the industry.
- We believe the company's capacity expansions at existing locations/markets (North, East, and part of South) will keep capacity utilization at the lower end (~66-69%). We estimate a revenue/EBITDA/PAT CAGR of 11%/18%/16% over FY25-27. The stock trades fairly at 21x/18x FY26E/FY27E EV/EBITDA. **Reiterate Neutral rating with a TP of INR26,640.**

Standalone quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	49.7	45.6	49.0	50.7	48.3	37.3	42.4	49.7	195.0	177.7	46.1	-8
YoY Change (%)	18.3	20.6	20.4	6.0	-2.7	-18.3	-13.6	-2.0	15.8	-8.9	-6.0	
Total Expenditure	40.4	36.9	36.7	37.5	39.2	31.3	32.9	37.6	151.4	141.0	37.1	-11
EBITDA	9.3	8.7	12.3	13.3	9.2	5.9	9.5	12.1	43.6	36.7	9.0	5
YoY Change (%)	13.9	66.3	74.3	48.7	-1.7	-31.9	-23.3	-8.7	48.3	-16.0		
Margin (%)	18.8	19.1	25.2	26.2	19.0	15.9	22.3	24.4	22.4	20.6	19.6	
Depreciation	3.1	3.3	3.5	6.3	6.4	6.7	7.5	7.8	16.1	28.4	6.7	12
Interest	0.8	0.7	0.6	0.6	0.6	0.6	0.5	0.6	2.6	2.2	0.6	-8
Other Income	1.6	1.3	1.4	1.4	1.3	1.8	1.1	1.3	5.6	5.6	1.4	-18
PBT before EO Exp.	7.1	6.0	9.7	7.7	3.5	0.4	2.6	5.0	30.5	11.6	3.2	-18
Extra-Ord. Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	7.1	6.0	9.7	7.7	3.5	0.4	2.6	5.0	30.5	11.6	3.2	-18
Tax	1.3	1.1	2.3	1.1	0.3	-0.5	0.3	1.0	5.8	1.2	0.8	
Rate (%)	18.2	17.6	24.0	14.3	9.4	-108.1	11.4	20.2	19.0	10.0	25.0	
Reported PAT	5.8	4.9	7.3	6.6	3.2	0.9	2.3	4.0	24.7	10.4	2.4	-3
Tax adjustment prior period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adj. PAT	5.8	4.9	7.3	6.6	3.2	0.9	2.3	4.0	24.7	10.4	2.4	-3
YoY Change (%)	84.2	159.1	165.3	68.8	-45.3	-81.0	-68.8	-39.3	110.3	-57.8	-67.8	

Quarterly performance

Sales Dispat. (mt)	8.92	8.20	8.89	9.54	9.64	7.60	8.77	10.06	35.54	36.07	9.08	-3
YoY Change (%)	18.8	9.9	10.7	8.0	8.1	-7.3	-1.4	5.5	11.7	1.5	2.1	
Realization	5,575	5,564	5,510	5,320	5,015	4,904	4,830	4,939	5,488	4,925	5,075	-5
YoY Change (%)	-0.5	9.7	8.8	-1.9	-10.0	-11.9	-12.4	-7.2	3.7	-10.3	-7.9	
Expenditure												
RM Cost	638	671	494	371	530	539	616	488	538	541	500	23
Staff Cost	263	285	264	247	254	328	270	245	264	271	280	-4
Power and Fuel	1,700	1,673	1,392	1,497	1,458	1,317	1,042	1,192	1,562	1,253	1,325	-21
Freight	1,192	1,160	1,094	1,096	1,157	1,173	1,131	1,152	1,135	1,153	1,160	-3
Other Expenses	735	714	879	717	667	766	691	657	762	691	815	-15
Total Op. cost	4,529	4,503	4,123	3,928	4,065	4,124	3,750	3,735	4,260	3,909	4,080	-8
EBITDA	1,046	1,062	1,387	1,392	951	780	1,079	1,204	1,228	1,017	995	8

Source: Company, MOFSL Estimates

Story in charts

Exhibit 1: Sales volume declined 1% YoY

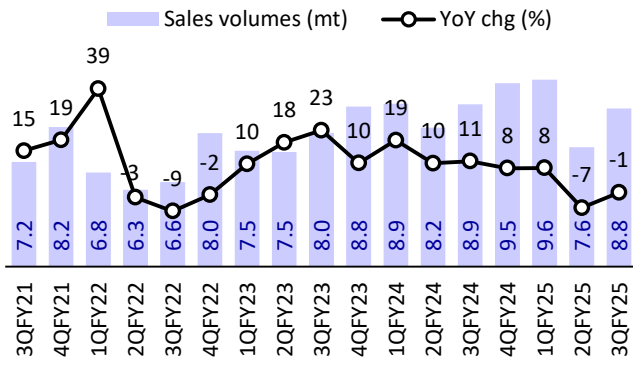


Exhibit 2: Blended realization was down 12% YoY

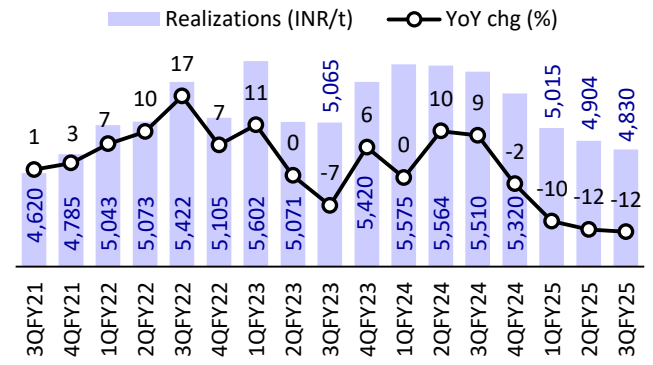
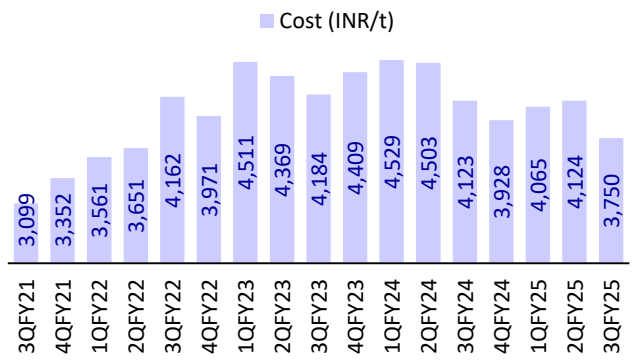
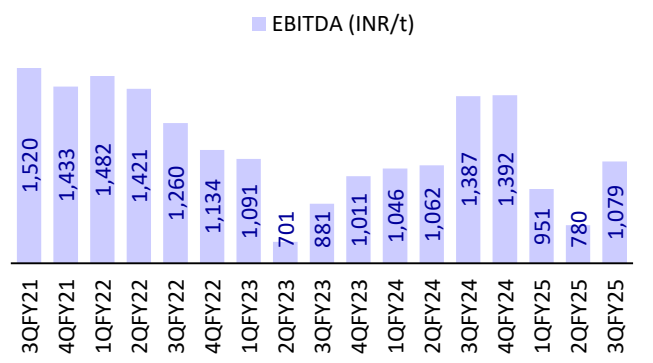


Exhibit 3: Blended opex/t was down 9% YoY/QoQ



Source: Company, MOFSL

Exhibit 4: EBITDA/t was down 22% YoY



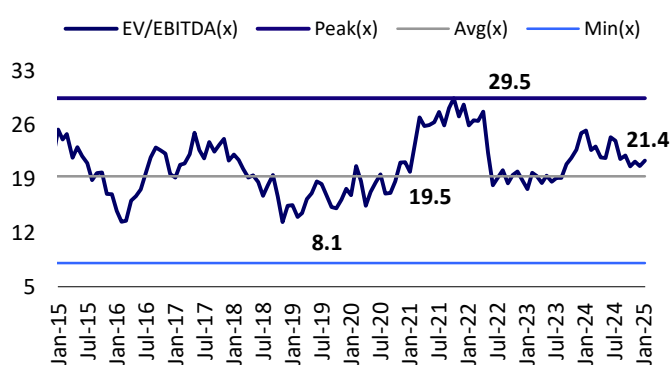
Source: Company, MOFSL

Exhibit 5: Key performance indicators – per ton analysis

INR/t	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ(%)
Blended realization	4,830	5,510	-12	4,904	-2
RM Cost	616	494	25	539	14
Employee Expenses	270	264	2	328	-18
Power, Oil, and Fuel	1,042	1,392	-25	1,317	-21
Freight and Handling	1,131	1,094	3	1,173	-4
Other Expenses	691	879	-21	766	-10
Total Expenses	3,750	4,123	-9	4,124	-9
EBITDA	1,079	1,387	-22	780	38

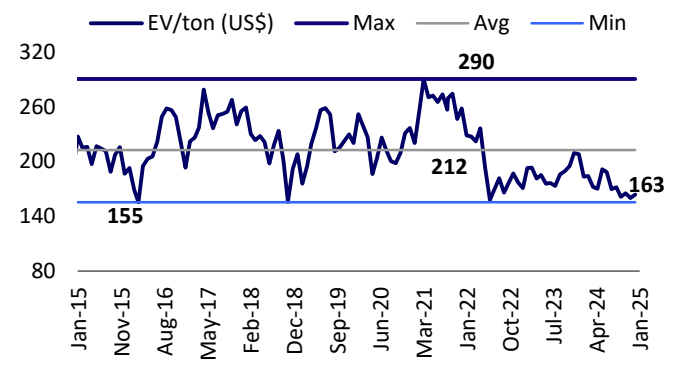
Source: Company, MOFSL

Exhibit 6: One-year forward EV/EBITDA ratio chart



Source: Company, MOFSL

Exhibit 7: One-year forward EV/t chart



Source: Company, MOFSL

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	37,070
EBIT	19,751	28,148	26,114	13,961	27,489	8,233	10,365	14,193
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	5,582	5,285	5,247
PBT before EO Expense	19,602	30,257	29,309	15,586	30,456	11,574	13,407	17,315
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	11,574	13,407	17,315
Tax	5,248	7,536	4,382	937	5,098	1,157	2,547	3,290
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	10,417	10,860	14,026
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	10,417	10,860	14,026
Change (%)	46.0	46.6	-1.3	-48.3	110.3	-57.8	4.2	29.2
Margin (%)	13.2	18.3	15.9	7.0	12.6	5.9	5.5	6.4

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	2,10,293	2,17,184	2,26,880
Total Reserves	1,29,003	1,52,140	1,72,348	1,82,525	2,03,486	2,10,295	2,17,186	2,26,882
Net Worth	1,29,364	1,52,501	1,72,709	1,82,885	2,03,847	2,10,656	2,17,547	2,27,243
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	2,24,172	2,28,715	2,37,267
Gross Block	1,03,634	1,13,644	1,35,229	1,50,803	1,84,610	2,24,610	2,64,610	3,14,610
Less: Accum. Deprn.	60,445	71,729	82,014	97,476	1,13,623	1,42,064	1,75,086	2,12,156
Net Fixed Assets	43,189	41,916	53,215	53,327	70,987	82,546	89,524	1,02,454
Capital WIP	12,576	12,836	9,729	23,203	18,328	18,328	18,328	8,328
<i>Financial investments</i>	63,575	83,712	86,014	87,060	77,307	67,307	55,307	50,307
<i>Strategic Investment</i>	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	76,574	85,282	95,152
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	5,418	5,755	7,298
Others	17,378	15,547	20,303	23,987	28,400	31,240	34,989	38,488
Curr. Liability and Prov.	32,574	36,555	41,304	49,911	55,610	50,030	49,173	48,421
Account Payables	32,470	36,430	41,160	49,756	55,454	49,874	49,017	48,265
Provisions	104	125	144	155	156	156	156	156
Net Current Assets	8,449	721	7,752	8,556	16,522	26,544	36,109	46,731
Appl. of Funds	1,53,368	1,65,978	1,86,155	2,01,592	2,12,591	2,24,172	2,28,715	2,37,267

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	289	301	389
Cash EPS	471	316	287	429	448	788	915	1,027
BV/Share	3,585	4,227	4,787	5,069	5,650	5,838	6,029	6,298
DPS	110.0	60.0	90.0	100.0	105.0	100.0	110.0	120.0
Payout (%)	25.3	9.4	13.7	27.2	15.3	34.6	36.5	30.9
Valuation (x)								
P/E	61.6	42.0	42.6	82.4	39.2	92.9	89.1	69.0
Cash P/E	56.9	84.9	93.3	62.6	59.9	34.0	29.3	26.1
P/BV	7.5	6.3	5.6	5.3	4.7	4.6	4.4	4.3
EV/Sales	7.7	7.1	6.2	5.2	4.5	5.0	4.6	4.2
EV/EBITDA	25.1	22.5	24.4	30.0	20.2	24.4	20.9	17.9
EV/t (USD-Cap)	271	243	228	225	196	188	164	145
Dividend Yield (%)	0.4	0.2	0.3	0.4	0.4	0.4	0.4	0.4
Return Ratios (%)								
RoIC	25.8	39.2	33.4	15.6	26.9	6.7	7.3	8.9
RoE	13.9	16.3	14.0	6.6	12.8	5.0	5.1	6.3
RoCE	12.6	14.9	13.9	7.8	12.6	5.5	5.5	6.6
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	90	80
Working Capital Turnover (Days)	26	2	20	19	31	55	66	78
Leverage Ratio (x)								
Current Ratio	1.3	1.0	1.2	1.2	1.3	1.5	1.7	2.0
Net Debt/Equity ratio	-0.3	-0.4	-0.4	-0.3	-0.3	-0.3	-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	11,574	13,407	17,315
Depreciation	16,994	11,399	10,365	15,462	16,147	28,441	33,022	37,070
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	-1,157	-2,547	-3,290
(Inc.)/Dec. in WC	5,591	8,762	-7,321	967	-6,238	-7,575	-9,229	-9,078
CF from Operations	38,460	43,200	29,546	28,563	36,104	31,283	34,653	42,017
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	31,283	34,653	42,017
(Inc.)/Dec. in FA	-12,941	-9,984	-19,483	-27,619	-28,057	-40,000	-40,000	-40,000
Free Cash Flow	24,572	30,953	7,746	-576	4,979	-8,717	-5,347	2,017
(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	-35,000
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	-4,330
CF from Fin. Activity	15,910	-12,146	-8,584	-3,151	-17,937	1,164	-6,316	-5,474
Inc./Dec. in Cash	-1,997	1,016	-915	11	1,597	2,447	337	1,543
Opening Balance	3,078	1,081	2,097	1,182	1,374	2,971	5,418	5,755
Closing Balance	1,081	2,097	1,183	1,193	2,971	5,418	5,755	7,298

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://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

- 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.