

## Not Excited by Positive Result : Coal India Ltd.

SELL

Aug 01, 2025 | CMP: INR 376 | Target Price: INR 290

Expected Share Price Return: -22.9% | Dividend Yield: 7.3% | Expected Total Return: -15.6%

Sector View: Neutral

Change in Estimates	×
Target Price Change	×
Recommendation	×

## Company Info

BB Code	COAL:IN EQUITY
Face Value (INR)	10
52 W High/Low (INR)	545/349
Mkt Cap (Bn)	INR 2,318/ \$26
Shares o/s ( Mn)	6,163
3M Avg. Daily Volume	62,21,960

## Change in Estimates

	FY26E			FY27E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	1,491	1,491	-	1,563	1,563	-
EBITDA	438	438	-	396	396	-
EBITDAM %	29.4	29.4	-	25.4	25.4	-
EPS	51.6	51.6	-	44.2	44.2	-

## Actual vs Consensus

INR Bn	Q1FY26A	Consensus Est.	Dev. %
Revenue	358.4	350.1	2.4
EBITDA	125.2	112.8	11.0
EBITDAM %	34.9	32.2	271.2 bps
PAT	87.4	83.2	5.1

## Key Financials

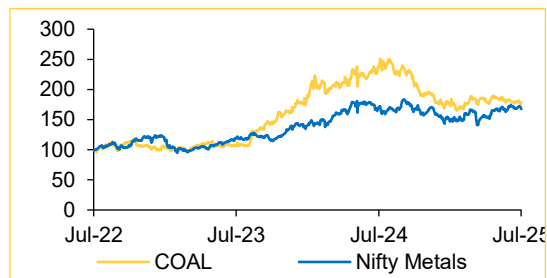
INR Bn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,423	1,434	1,491	1,563	1,757
YoY (%)	2.9	0.7	4.0	4.8	12.4
EBITDA	418	430	438	396	509
EBITDAM %	29.4	30.0	29.4	25.4	29.0
Adj PAT	374	354	318	272	345
EPS	61	57	52	44	56
ROE %	44.7	35.3	27.7	21.9	24.6
ROCE %	21.5	18.4	15.7	13.2	15.7
PE(x)	7.2	6.8	7.5	8.8	6.9
EV/EBITDA	4.9	4.4	4.3	4.8	3.8

## Shareholding Pattern (%)

	June-25	Mar-24	Dec-24
Promoters	63.13	63.13	63.13
FIIIs	8.16	7.74	8.58
DIIIs	22.66	23.35	22.59
Public	6.05	5.78	5.70

## Relative Performance (%)

YTD	3Y	2Y	1Y
BSE Metals	81.6	68.9	-25.0
COAL	69.8	40.3	-1.4



Prashanth Kumar Kota, CFA

Email: prashanth.kota@choiceindia.com

Ph: +91 22 6707 9887

Bharat Kumar Kudikyala

Email: Bharat.kudikyala@choiceindia.com

Ph: +91 22 6707 9521

Ashutosh Murarka

Email: ashutosh.murarka@choiceindia.com

Ph: +91 22 6707 9887

VALUE TRAP- COAL- Initiating Coverage

## Structurally Unattractive Play

We maintain our SELL rating on Coal India (COAL) with a TP of INR290/sh.

**"Attractiveness" based on cheap valuation multiples is an optical illusion**

COAL trades at cheap valuation multiples of ~5x/9x/1x FY27E EV/EBITDA, P/E and EV/CE respectively. These headline multiples make the stock look attractive, but we believe it is a Value Trap as these metrics conceal more than they reveal.

**The key pillars of our Investment Thesis that make us disillusioned on COAL:**

1) Pricing - discounted pricing and unfavorable sales mix, 2) Huge capex, yet EBIT momentum will be negative - running on a treadmill kind of a situation, 3) Cash is restricted due to large long term provisions, and 4) Declining GCV across subsidiaries.

**All FCF Post Capex is Paid as Dividends, hence DDM is our preferred method:**

COAL is a cash cow where all free cash flows post capex are paid out as dividends. We thus believe a realistic way to value COAL is to focus on its dividend paying potential; hence we use the classic Dividend Discount Model (DDM) to value the company.

**Valuation:** We use a scenario based approach. Our Base Case Scenario TP (DDM-based) is INR 290/sh. Our Upside Scenario (10-15% probability event in our view) uses a mix of multiples and DDM for a value of INR 500/sh, while our Downside Scenario (10-15% probability event in our view) value is INR 225/sh (DDM-based).

At CMP COAL's dividend yield is ~7%, which is optically high, but unattractive in the absence of other value drivers and doesn't cover cost of equity of ~13%.

**Risk to our SELL rating:** A reversal in government policy to substantially align coal prices with a profit maximization motive is a risk to our SELL call.

## Q1FY26: Better Than Expected Volume Mix Drives Marginally Better Result vs Street Expectations

**Sales Volume** at 190.6MT (-5.0% QoQ, -4.0% YoY) – were pre reported, within which **E-auction** volume at 21.3MT (-1.3% QoQ, -8.1% YoY) was ahead of Choice Institutional Equities (CIE) estimates of 18MT, which is good.**FSA realization** came in at INR 1,550/t (+0.1% QoQ, +1.7% YoY), higher than CIE estimate of INR 1,540/t. **E-auction realization** came in at INR 2,332/t (-10.8% QoQ, -3.3% YoY), lower than CIE estimate of INR 2,500/t.**Revenue (incl OOI)** came in at Rs358.4Bn (-5.2% QoQ, -1.7% YoY) higher vs CIE/street estimates of INR 354.6/350Bn mainly due to higher than expected other operating income and better volume mix.**EBITDA (ex- Stripping adj)** came in at INR 111.2Bn (-0.9% QoQ, -3.6% YoY) which is ahead of CIE/street expectation in the range of INR 105-108Bn, largely due to revenue beat as the major cost lines were in line with estimates.**PAT** came in at INR 87.4Bn (-9.0% QoQ, -20.2% YoY) ahead of street expectations in the range of INR 80Bn, but in line with CIE estimate of INR 86.6Bn.**Dividend** of INR 5.5/sh has been announced which is largely in line with street expectation in our view.

Exhibit 1: Better Than Expected Volume Mix Drives Marginally Better Result vs Street Expectations

COAL (INR Mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net Sales (incl OOI)	3,58,422	3,64,646	(1.7)	3,78,245	(5.2)
Material Expenses	27,109	30,254	(10.4)	3,772	618.7
Gross Profit	3,31,313	3,34,393	(0.9)	3,74,473	(11.5)
Employee Expenses	1,13,227	1,14,545	(1.2)	1,20,888	(6.3)
Other Operating Expenses	92,872	76,462	21.5	1,35,684	(31.6)
EBITDA	1,25,214	1,43,385	(12.7)	1,17,902	6.2
Depreciation	23,072	19,525	18.2	27,818	(17.1)
EBIT	1,02,142	1,23,860	(17.5)	90,084	13.4
Other Income	17,601	19,700	(10.7)	41,060	(57.1)
Interest Cost	2,651	2,088	27.0	2,411	9.9
PBT	1,17,092	1,41,472	(17.2)	1,28,732	(9.0)
Tax	29,750	32,037	(7.1)	32,807	(9.3)
Minority Int	(92)	(159)	(42.1)	(115)	(19.8)
RPAT	87,434	1,09,595	(20.2)	96,040	(9.0)
Margin Analysis	Q1FY26	Q1FY25	YoY (bps)	Q4FY25	QoQ (bps)
Gross Margin (%)	92.4	91.7	73.3	99.0	-656.6
Employee Exp. % of Sales	31.6	31.4	17.8	32.0	-37.0
Other Op. Exp % of Sales	25.9	21.0	494.2	35.9	-996.1
EBITDA Margin (%)	34.9	39.3	(438.7)	31.2	376.4
Tax Rate (%)	25.4	22.6	276.2	25.5	-7.7
APAT Margin (%)	24.4	30.1	(566.1)	25.4	-99.7
Per tonne (INR/t)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
NSR (Incl OOI)	1,881	1,837	2.4	1,885	(0.2)
Costs					
-Stores and spares	142	152	(6.7)	19	656.5
-Contractual expenses	410	393	4.2	473	(13.4)
-Other Expenditure	150	133	13.5	231	(34.8)
-Employee costs	594	577	3.0	603	(1.4)
-Stripping adj	(73)	(141)	NA	(28)	NA
Total Opex	1,224	1,115	9.8	1,298	(5.7)
EBITDA	657	722	(9.0)	588	11.8
EBITDA (ex-stripping adj)	584	581	0.4	560	4.3
Volume (MT)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Sales	190.6	198.5	(4.0)	200.6	(5.0)
-FSA	165.7	172.4	(3.9)	175.1	(5.3)
-E-auction	21.3	23.2	(8.1)	21.6	(1.3)
-Washed & Others	3.6	2.9	22.8	4.0	(11.0)
realization (INR/t)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Blended	1,673	1,671	0.1	1,702	(1.7)
-FSA	1,550	1,524	1.7	1,547	0.1
-E-auction	2,332	2,411	(3.3)	2,614	(10.8)
-Washed & Others	3,466	4,499	(23.0)	3,579	(3.2)

Source: COAL, Choice Institutional Equities

## Our Operational Assumptions are Reasonably Optimistic

*Our operational assumptions are reasonably optimistic.*

*We build in a price hike in FSA prices that COAL will have to undertake to cover wage hike due from Q2FY27.*

*In our view, consensus numbers don't yet build in the wage hike impact. But it is almost certain that COAL will have to give the wage hikes effective from Q2FY27, hence we build in the same.*

*Despite optically high OCF, there is hardly any cash left at the end of the year after catering for capex, dividends and working capital.*

## COAL Operational Assumptions Base Case Scenario

(INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Volume (MT)</b>	<b>754.3</b>	<b>761.5</b>	<b>797.7</b>	<b>836.9</b>	<b>878.0</b>
-FSA	670.4	666.5	704.5	739.8	776.8
-E-auction	70.2	79.1	78.3	82.2	86.3
-Washed	7.7	9.9	8.9	8.9	8.9
-Others	5.9	6.1	6.1	6.1	6.1
<b>realization (INR/t)</b>	<b>1,730</b>	<b>1,664</b>	<b>1,656</b>	<b>1,654</b>	<b>1,772</b>
-FSA	1,536	1,514	1,559	1,559	1,676
-E-auction	3,059	2,541	2,183	2,183	2,347
-Washed	5,466	4,375	3,720	3,720	3,720
-Others	2,773	2,702	3,000	3,000	3,000
<b>Revenue (INR Mn)</b>	<b>13,03,389</b>	<b>12,69,568</b>	<b>13,20,724</b>	<b>13,84,204</b>	<b>15,55,840</b>
-FSA	10,29,891	10,09,039	10,98,702	11,53,637	13,02,168
-E-auction	2,14,881	2,01,002	1,70,909	1,79,455	2,02,559
-Washed	42,143	43,180	32,963	32,963	32,963
-Others	16,474	16,346	18,150	18,150	18,150
<b>EBITDA pre stripping adj.</b>	<b>4,18,333</b>	<b>4,29,575</b>	<b>4,38,272</b>	<b>3,96,362</b>	<b>5,09,173</b>
<b>-Margin</b>	<b>32.1%</b>	<b>33.8%</b>	<b>33.2%</b>	<b>28.6%</b>	<b>32.7%</b>
<b>EBITDA</b>	<b>4,96,320</b>	<b>4,78,498</b>	<b>4,31,929</b>	<b>3,71,172</b>	<b>4,67,755</b>
Other Income	83,959	99,323	61,355	56,533	54,330
PBT	4,88,126	4,69,662	4,23,093	3,62,335	4,58,919
Tax	1,14,435	1,16,641	1,05,075	89,986	1,13,973
<b>PAT</b>	<b>3,73,691</b>	<b>3,53,021</b>	<b>3,18,017</b>	<b>2,72,349</b>	<b>3,44,946</b>
EPS	60.7	57.4	51.6	44.2	56.0
DPS	25.5	26.5	27.6	28.7	29.8
<b>Cash Flow (INR Mn)</b>					
<b>OCF</b>	<b>1,81,031</b>	<b>2,91,997</b>	<b>3,52,466</b>	<b>3,27,472</b>	<b>3,95,606</b>
Other Income	29,469	32,623	31,355	26,533	24,330
<b>Capex</b>	<b>-1,70,969</b>	<b>-1,33,361</b>	<b>-2,00,000</b>	<b>-2,00,000</b>	<b>-2,00,000</b>
Interest	-2,243	-2,252	-8,837	-8,837	-8,837
Dividends	-1,50,979	-1,62,385	-1,69,845	-1,76,639	-1,83,704
Debt movement	15,011	17,334	0	0	0
<b>NET CASH FLOW</b>	<b>-98,680</b>	<b>43,956</b>	<b>5,139</b>	<b>-31,471</b>	<b>27,395</b>

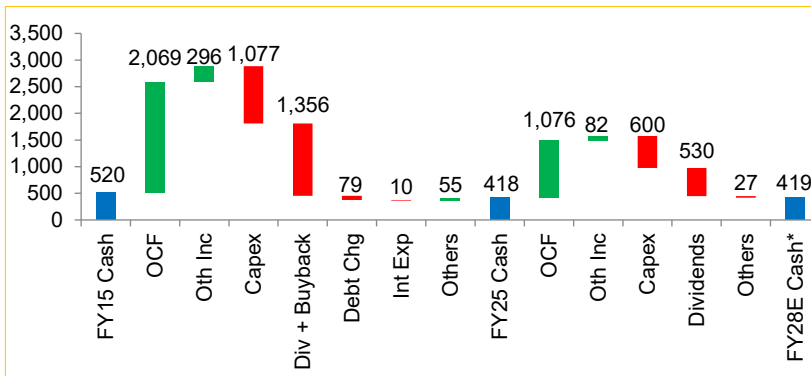
Source: COAL, Choice Institutional Equities

All FCF After Capex is Paid Out as Dividends, hence we Adopt DDM based Valuation

Over the last 10 years, COAL has paid out all free cash flow post capex as dividends. We expect the same going forward as well, provided there is sufficient cushion on the Retained Earnings side of things.

- **COAL is being managed in a way such that all free cash flow post capex is given out as dividends.** Our cumulative cash flow analysis for FY16-25 period reveals prices have been set by COAL at such a level that the resultant P&L/cash flows are enough to meet the costs, capex & and the residual is paid out as dividends.

FY16-25 & FY26E-28E Cumulative Cash Flow Bridge (INR Bn)



We believe the classic Dividend Discount Model is the most suitable valuation framework to value COAL.

Hence, we use the DDM based valuation approach

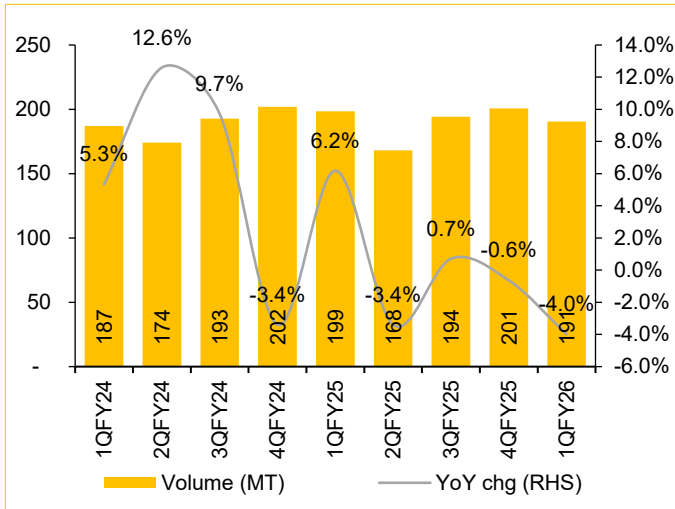
- **Valuation approach:** We believe a practical way to value this company is to just focus on what eventually comes into the hands of shareholders. It might sound we are taking a narrow view of things, but this is practical and reasonable. We use the dividend discount model to value COAL.
- **Context:** Our FY26/27E PAT estimates are 9/10% ahead of consensus. Despite our high profit/cash flow estimate, we have a SELL rating on the stock where our framework yields a TP of INR 290.

In our Base Case Scenario, we assign 100% weightage to our DDM based fair value.

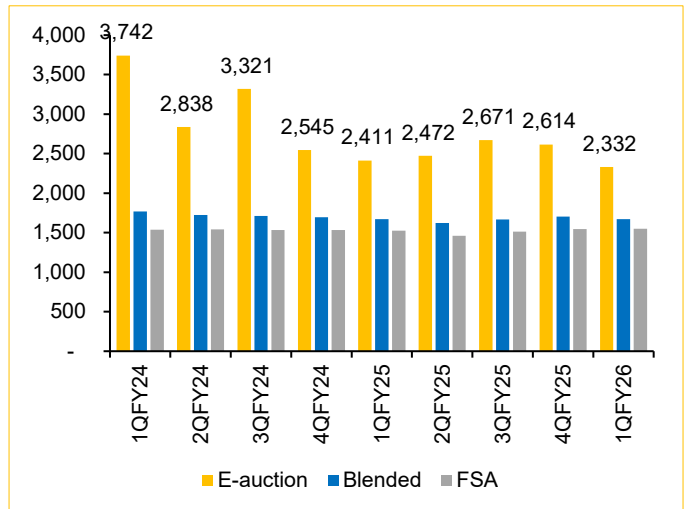
COAL Base Case Scenario TP Derivation

(INR Mn)	
<b>DDM Valuation</b>	
<b>Cost of Equity Calculation</b>	<b>12.6%</b>
-Market Return Assumption	12.6%
-Market Risk Premium	6.3%
-R <sub>f</sub>	6.3%
-Beta	1.0
<b>Dividend Discount Model</b>	
Sustainable Long Term Growth Rate in Dividends ----> A	3%
Cost of Equity ----> B	12.6%
FY27/28E DPS (INR/share) ----> C	29.0
<b>Equity Value (INR/share) ----&gt; C/(B-A) = D</b>	<b>290</b>
<b>Multiple Based Valuation</b>	
<b>Target price</b>	<b>FY27E/28E</b>
EBITDA pre OBR less maintenance capex	3,53,965
Multiple (x)	6.5
EV	23,00,775
Net Debt	-3,02,647
Long term Provisions	6,65,315
Market value	19,38,107
<b>Equity Value per Share (INR/sh)</b>	<b>315</b>
<b>Implied EV to IC (x)</b>	<b>1.9</b>
<b>RoCE</b>	<b>18%</b>
<b>Weightage</b>	
-DDM	100%
-Multiple Based	0%
<b>CHOICE INSTITUTIONAL EQUITIES TP (INR/share)</b>	<b>290</b>

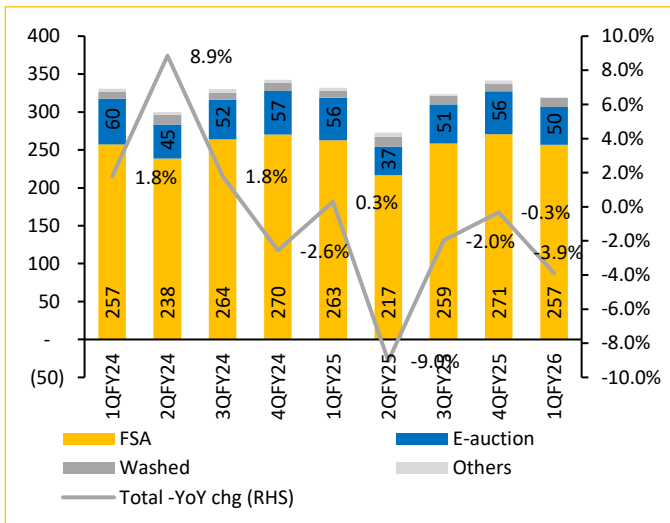
Source: COAL, Choice Institutional Equities

Q1 sales volume down 4% YoY

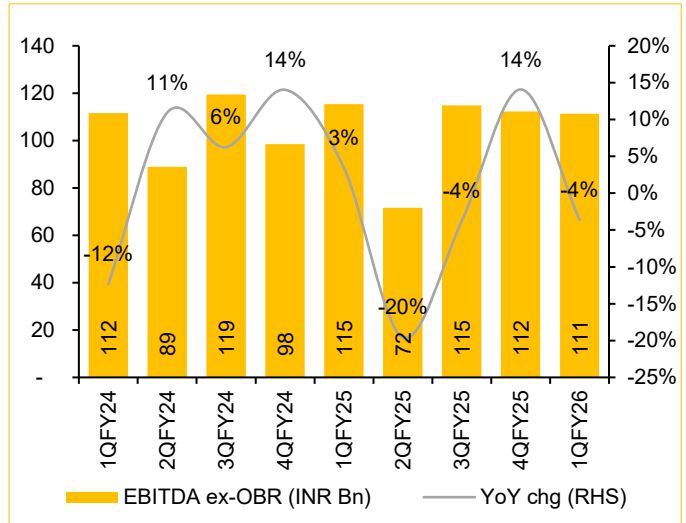
Source: COAL, Choice Institutional Equities

Q1 segmental realization (INR)

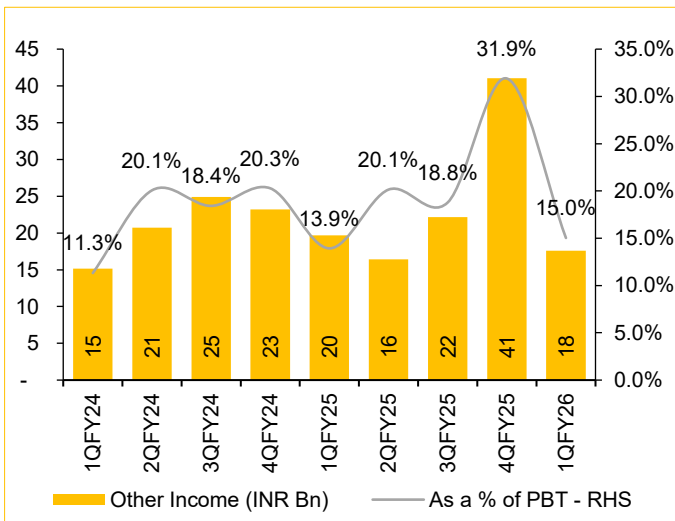
Source: COAL, Choice Institutional Equities

Q1 seg revenue split: e-auction drags YoY (INR Bn)

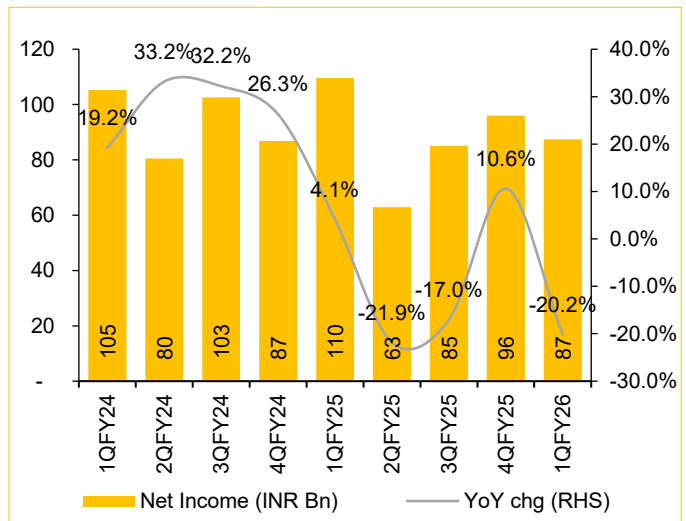
Source: COAL, Choice Institutional Equities

Q1 EBITDA down by 4% YoY

Source: COAL, Choice Institutional Equities

Q1 Other income as a % PBT is down QoQ

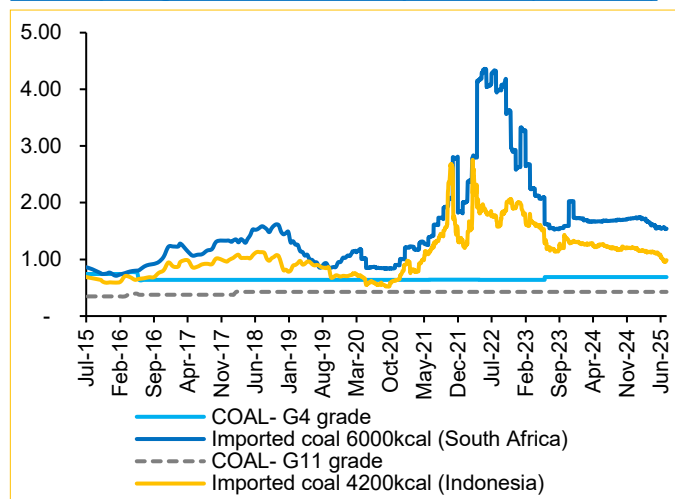
Source: COAL, Choice Institutional Equities

Q1 PAT down 20% YoY

Source: COAL, Choice Institutional Equities

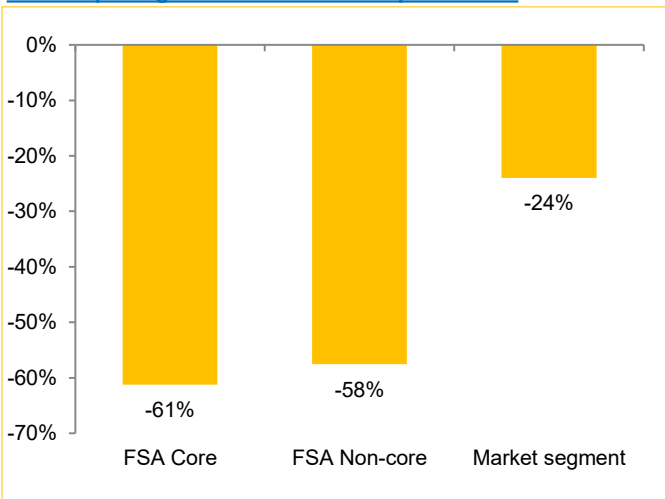
## Investment Thesis in Charts

## COAL's pricing is at a discount to imported coal (INR/Mn cal)



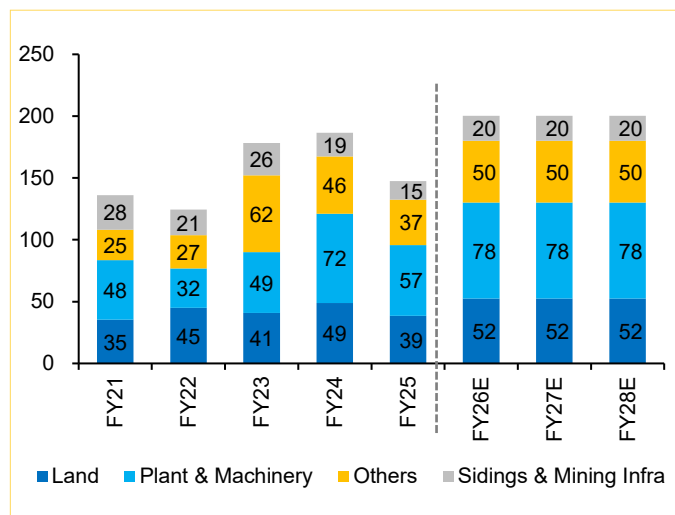
Source: COAL, Choice Institutional Equities

## COAL's pricing is at a discount to imported coal



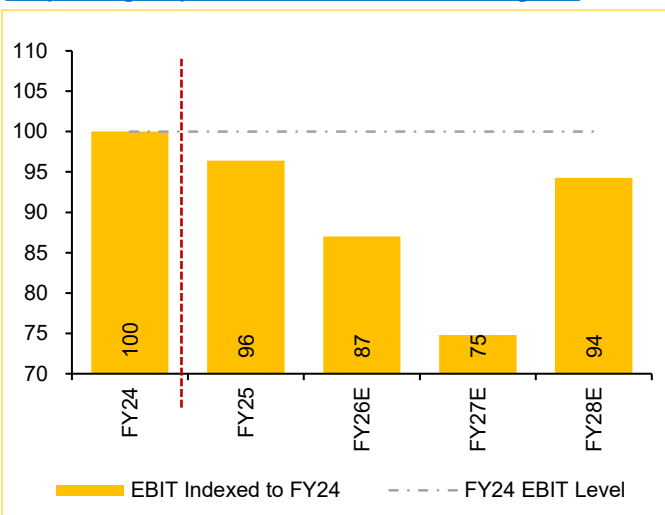
Source: COAL, Choice Institutional Equities

## COAL's capex is huge (INR Bn)



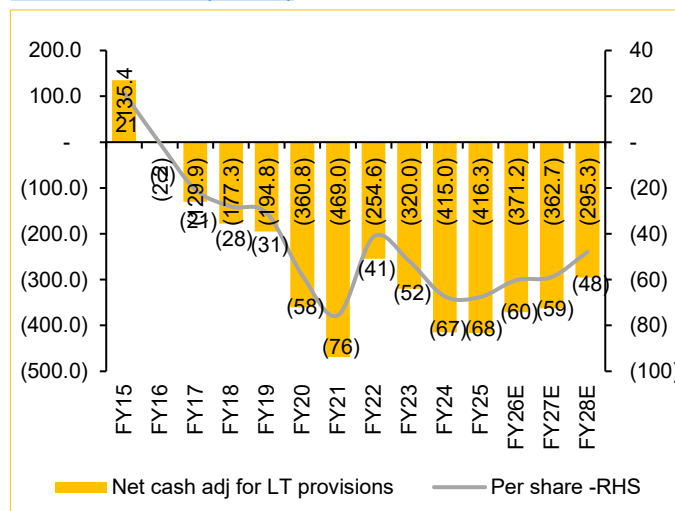
Source: COAL, Choice Institutional Equities

## Despite Huge capex, EBIT Momentum will be Negative



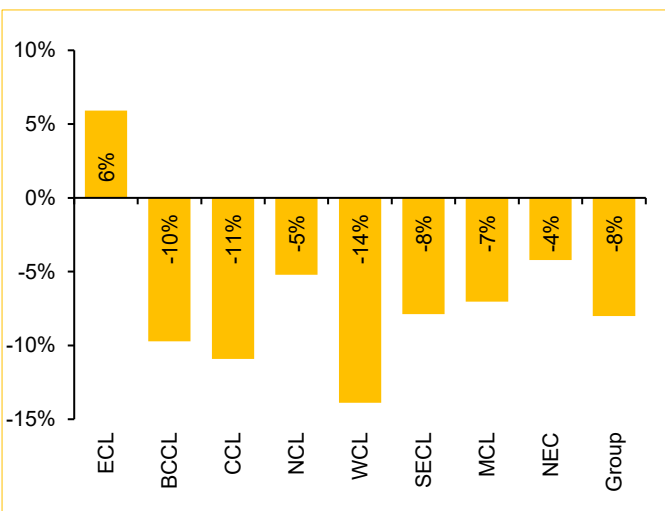
Source: COAL, Choice Institutional Equities

## Cash is restricted (INR Bn)



Source: COAL, Choice Institutional Equities

## COAL subsidiaries GCV decline Over FY16-24 Is substantial



Source: COAL, Choice Institutional Equities

## Financials &amp; Ratios

## Income Statement (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue	14,23,240	14,33,689	14,91,459	15,63,146	17,56,969
Gross Profit	13,22,654	13,44,253	13,75,442	14,37,861	16,21,659
EBITDA	4,18,333	4,29,575	4,38,272	3,96,362	5,09,173
Depreciation	67,354	91,455	1,07,698	1,21,723	1,35,748
EBIT	4,96,320	4,78,498	4,31,929	3,71,172	4,67,755
Other Income	83,959	99,323	61,355	56,533	54,330
Interest Expense	8,194	8,837	8,837	8,837	8,837
PBT	4,88,126	4,69,662	4,23,093	3,62,335	4,58,919
Reported PAT	3,73,691	3,53,021	3,18,017	2,72,349	3,44,946
EPS	60.7	57.4	51.6	44.2	56.0

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth Ratios (%)</b>					
Revenues	2.9	0.7	4.0	4.8	12.4
EBITDA	3.0	2.7	2.0	(9.6)	28.5
PAT	17.8	(5.5)	(9.9)	(14.4)	26.7
<b>Margins (%)</b>					
Gross Profit Margin	92.9	93.8	92.2	92.0	92.3
EBITDA Margin	29.4	30.0	29.4	25.4	29.0
Tax Rate	23.4	24.8	24.8	24.8	24.8
PAT Margin	26.3	24.6	21.3	17.4	19.6
<b>Profitability (%)</b>					
Return On Equity (RoE)	44.7	35.3	27.7	21.9	24.6
Return On Invested Capital (RoIC)	27.7	23.4	19.8	16.2	19.3
Return On Capital Employed (RoCE)	21.5	18.4	15.7	13.2	15.7
<b>Leverage Ratio (x)</b>					
Debt to Equity	(0.4)	(0.3)	(0.3)	(0.2)	(0.2)
Net debt to EBITDA	(1.2)	(1.6)	(1.2)	(0.7)	(0.8)
Interest Coverage	61.3	59.9	56.5	51.3	63.8
<b>Cash Flow Metrics (x)</b>					
OCF/EBITDA (x)	0.4	0.7	0.8	0.8	0.8
OCF/IC (%)	0.1	0.2	0.2	0.2	0.2
<b>Working Capital (x)</b>					
Inventory Days	26	33	33	32	31
Receivable Days	37	37	40	40	40
Creditor Days	24	27	27	27	29
Working Capital Days	39	43	46	45	42
<b>Valuation Metrics (x)</b>					
EV/EBITDA	4.9	4.4	4.3	4.8	3.8
EV/IC	1.7	1.3	1.3	1.2	1.1
PE	7.2	6.8	7.5	8.8	6.9
P/BV	3.2	2.4	2.1	1.9	1.7

Source: COAL, Choice Institutional Equities

## Balance Sheet (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	8,35,819	9,99,507	11,47,679	12,43,390	14,04,632
Borrowings	62,890	89,084	89,084	89,084	89,084
Deferred Tax	18,222	18,319	18,319	18,319	18,319
Other Liabilities & Provisions	13,75,935	13,93,018	13,53,018	13,13,018	12,73,018
<b>Total Net Worth &amp; Liabilities</b>	<b>22,92,866</b>	<b>24,99,927</b>	<b>26,08,100</b>	<b>26,63,810</b>	<b>27,85,052</b>
Net Block	6,79,004	7,66,399	8,23,701	8,66,978	8,96,231
Capital WIP	1,89,603	2,23,849	2,38,849	2,53,849	2,68,849
Goodwill & Intangible Assets	77,678	62,252	62,252	62,252	62,252
Investments	71,104	75,913	95,918	1,15,918	1,35,918
Cash & Cash Equivalents	3,02,352	3,42,153	3,47,288	3,15,818	3,43,213
Loans & Other Assets	8,22,652	8,78,004	8,78,004	8,78,004	8,78,004
Net Working Capital	1,50,473	1,51,358	1,62,088	1,70,992	2,00,587
<b>Total Assets</b>	<b>22,92,866</b>	<b>24,99,927</b>	<b>26,08,100</b>	<b>26,63,810</b>	<b>27,85,052</b>
<b>Cash Flows (INR Mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Cash Flows From Operations	1,81,031	2,91,997	3,52,466	3,27,472	3,95,606
Cash Flows From Investing	(44,858)	(1,00,764)	(1,68,645)	(1,73,467)	(1,75,670)
Cash Flows From Financing	(1,38,993)	(1,33,085)	(1,78,681)	(1,85,475)	(1,92,541)
<b>DuPont Analysis</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Tax Burden	76.6%	75.2%	75.2%	75.2%	75.2%
Interest Burden	98.3%	98.2%	98.0%	97.6%	98.1%
EBIT Margin	38.1%	37.7%	32.7%	26.8%	30.1%
Asset Turnover	0.5	0.5	0.5	0.5	0.5
Equity Multiplier	2.8	2.6	2.4	2.2	2.1
<b>ROE</b>	<b>44.7%</b>	<b>35.3%</b>	<b>27.7%</b>	<b>21.9%</b>	<b>24.6%</b>

Source: COAL, Choice Institutional Equities



Historical share price chart: Coal India Limited



Date	Rating	Target Price
July 21, 2025	SELL	290
Aug 01, 2025	SELL	290

Institutional Research Team

Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Prashanth Kumar Kota, CFA	Analyst – Basic Materials	prashanth.kota@choiceindia.com	+91 22 6707 9887
Mehul Mehta	Analyst – Industrials	mehul.mehta@choiceindia.com	+91 22 6707 9930
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Karan Kamdar	Analyst – SMID	karan.kamdar@choiceindia.com	+91 22 6707 9930
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Ashutosh Murarka	Analyst – Cement & Infrastructure	ashutosh.murarka@choiceindia.com	+91 22 6707 9887
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Aayush Saboo	Sr. Associate– Real Estate	aayush.saboo@choiceindia.com	+91 22 6707 9512
Bharat Kumar Kudikyala	Sr. Associate – Building Materials and Mining	bharat.kudikyala@choiceindia.com	+91 22 6707 9887
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9216
Kunal Bajaj	Sr. Associate – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9884
Abhinav Kapadia	Sr. Associate – Capital Goods	abhinav.kapadia@choiceindia.com	+91 22 6707 9707
Vikrant Shah, CFA (ICFAI)	Sr. Associate – Banks	vikrant.shah@choiceindia.com	+91 22 6707 9887
Vinay Rawal	Associate – SMID	vinay.rawal@choiceindia.com	+91 22 6707 9887
Heer Gogri	Associate – SMID	heer.gogri@choiceindia.com	+91 22 6707 9707
Heet Chheda	Associate – Auto	heet.chheda@choiceindia.com	+91 22 6707 9952
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9887
Aryan Goyal	Associate – Auto	aryan.goyal@choiceindia.com	+91 22 6707 9517
Sumit Pandey	Executive	pandey.sumit@choiceindia.com	+91 22 6707 9887

CHOICE RATING DISTRIBUTION & METHODOLOGY

<b>Large Cap*</b>	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
<b>Mid &amp; Small Cap*</b>	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
<b>Other Ratings</b>	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
<b>Sector View</b>	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000Cr Market Cap  
\*Mid & Small Cap: Less Than INR 20,000Cr Market Cap

Disclaimer

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited-Research Analyst - INH000000222. (CIN. NO.: U65999MH2010PTC198714). Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri(East), Mumbai 400099. Tel. No. 022-6707 9999

Compliance Officer--Prashant Salian, Email Id – Prashant.salian@choiceindia.com Contact no. 022- 67079999- Ext-2310

Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834. Email- ig@choiceindia.com

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

This Research Report (hereinafter referred as "Report") has been prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL RE" Limited). The Research Analysts, strategists are principally responsible for the preparation of "CEBPL RE" research. The research analysts have received compensation based upon various factors, which may include quality of research, investor client feedback, stock picking, competitive factors and firm revenues etc.

Whilst CEBPL has taken all reasonable steps to ensure that this information is correct, CEBPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his or her own risk and CEBPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.



**General Disclaimer:** This 'Report' is strictly meant for use by the recipient and is not for circulation. This Report does not take into account particular investment objectives, financial situations or specific needs of individual clients nor does it constitute a personal recommendation. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through CEBPL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein.

These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this "Report" should rely on information/data arising out of their own Study/Investigations. It is advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This 'Report' has been prepared on the basis of publicly available information, internally developed data and other sources believed by CEBPL to be reliable. CEBPL or its directors, employees, affiliates or representatives shall not be responsible for, or warrant for the accuracy, completeness, adequacy and reliability of such information / opinions / views. Though due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of CEBPL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this report.

The price and value of the investments referred to in this Report and the income from them may tend to go down as well as up, and investors may incur losses on any investments. Past performance shall not be a guide for future performance. CEBPL does not provide tax advice to its clients, and all investors are strongly advised to take advice of their tax advisers regarding taxation aspects of any potential investment. Opinions are based on the current scenario as of the date appearing on this 'Report' only. CEBPL does not undertake to advise you as to any change of our views expressed in this 'Report' may differ on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold CEBPL, its employees and associates responsible for any losses, damages of any type whatsoever.

**Disclaimers in respect of jurisdiction:** This report is not directed to, 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 or regulation or which would subject "CEBPL RE" to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by "CEBPL RE" in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this 'Report' shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. "CEBPL" requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to "CEBPL". Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in Mumbai (India).

Statements on ownership and material conflicts of interest, compensation - CEBPL and Associates reciprocates to the best of the knowledge and belief of CEBPL/ its Associates/ research Analyst who is preparing this report.

Disclosures of Interest (Additional):

- 1. "CEBPL", its research Analyst(s), or its associates or relatives of the Research Analyst does not have any financial interest in the company(ies) covered in this report.
- 2. "CEBPL" its research Analyst, or its associates or relatives of the research analyst affiliates collectively do not hold more than 1 of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
- 3. "CEBPL", its research analyst, his/her associate, his/her relative, do not have any other material conflict of interest at the time of publication of this research report.
- 4. "CEBPL", its research analyst, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in this report, in the past twelve months.
- 5. "CEBPL", its research analyst, or its associates have not managed or co-managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report.
- 7. "CEBPL", or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party, in connection with the research report.
- 8. CEBPL research analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Research report.
- 9. "CEBPL", its research analyst has not been engaged in market making activity for the company(ies) covered in the Research report.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. <https://choiceindia.com/research-listing>

Sr. No.	Particulars	Yes / No
1.	Whether compensation has been received from the company(ies) covered in the Research report in the past 12 months for investment banking transaction by CEBPL	No
2	Whether Research Analyst, CEBPL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1 of the company(ies) covered in the Research report	No
3.	Whether compensation has been received by CEBPL or its associates from the company(ies) covered in the Research report	No
4.	CEBPL or its affiliates have managed or co-managed in the previous twelve months a private or public offering of securities for the company(ies) covered in the Research report	No
5.	CEBPL, its research analyst, his associate, or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in the Research report, in the last twelve months	No

**Copyright:** The copyright in this research report belongs exclusively to CEBPL. All rights are reserved. Any unauthorized use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the CEBPL's prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety.

This "Report" is for distribution only under such circumstances as may be permitted by applicable law. This "Report" has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This "Report" is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither CEBPL nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this "report" or lack of care in this report's preparation or publication, or any losses or damages which may arise from the use of this research report.

Information barriers may be relied upon by CEBPL, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of CEBPL.

Investing in any non-U.S. securities or related financial instruments (including ADINR) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by CEBPL with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior written consent of CEBPL and CEBPL accepts no liability whatsoever for the actions of third parties in this respect.

The details of CEBPL, its research analyst and its associates pertaining to the companies covered in the Research report are given above.