

Kajaria Ceramics

BSE SENSEX
65,945

S&P CNX
19,665

Kajaria

Bloomberg	KJC IN
Equity Shares (m)	159
M.Cap.(INRb)/(USD\$b)	214.4 / 2.6
52-Week Range (INR)	1524 / 1006
1, 6, 12 Rel. Per (%)	-9/14/-2
12M Avg Val (INR M)	249
Free float (%)	52.5

Financial Snapshot (INR b)

Y/E MARCH	2024E	2025E	2026E
Sales	48.1	53.7	60.2
EBITDA	7.6	9.0	10.5
Adj. PAT	4.6	5.8	6.8
EBITDA Margin (%)	15.8	16.9	17.5
Cons. Adj. EPS (INR)	28.8	36.3	42.7
EPS Gr. (%)	34.7	26.1	17.7
BV/Sh. (INR)	160	176	199

Ratios

Net D:E	(0.4)	(0.3)	(0.4)
RoE (%)	18.8	21.6	22.7
RoCE (%)	21.8	25.3	27.0
Payout (%)	52.1	55.1	46.8

Valuations

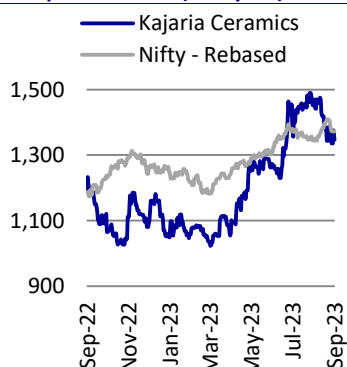
P/E (x)	46.8	37.1	31.5
P/BV (x)	8.4	7.7	6.8
EV/EBITDA(x)	27.9	23.4	20.0
EV/sales (x)	4.4	3.9	3.5

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	47.5	47.5	47.5
DII	25.2	26.2	22.4
FII	18.0	16.9	19.6
Others	9.3	9.4	10.5

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR1,346

TP: INR1,580 (+17%)

Buy

Gas price to increase; industry dynamics improving

Fuel price can rise 8% over 2QFY24E average

- Brent Crude and Spot LNG prices spiked 25-31% over the last 2-3 months, which we believe can raise fuel consumption costs of ceramics players and Kajaria Ceramics (KJC), in particular, in 2HFY24.
- Brent Crude jumped 25% in the last few months because of voluntary supply cuts by Saudi Arabia to maintain the demand-supply equilibrium. These supply cuts were first announced in Jul'23 and would continue until Dec'23 as of now since the timelines have been extended a few times.
- Spot LNG price too has been on a rising trend and increased 31% over Jul'23 average. Gujarat Gas too hiked gas price for Morbi players by ~10% in Sep'23 beginning. Based on recent pricing trends, we expect average fuel price for KJC to mount ~8% in 2HFY24 (after ~3% QoQ fall in 2QFY24).
- We note that even after this possible rise in fuel prices, the increased average consumption price for KJC will be still 20%+ lower than its average consumption price for FY23 (but, ~5% higher than its 1QFY24 consumption cost). Hence, this should lead to YoY margin improvement for the company. We expect KJC's OPM to be at 15.8% in FY24 v/s 13.5% in FY23.

Exports continue to improve; domestic demand still sluggish

- Tiles exports from India continue to rise and monthly exports touched an all-time high of INR19.7b in Jul'23. During Apr-Jul'23, tiles exports from India jumped 31% YoY to INR66.9b (export volume too rose 31% YoY to 192m sq. mt. in this period). Exports of tiles are primarily carried out by Morbi-based players and rising exports would help domestic market prices to stabilize.
- Tiles exports from India are likely to grow 20% YoY to INR210b in FY24 fueled by improving demand in countries such as Mexico, US, UAE, UK etc. Last year, Morbi-based players had suspended their operations for one month (10th Aug-10th Sep'22) due to rising gas prices and higher ocean freight rates.
- Domestic demand for tiles still remains sluggish; however, we expect it to improve in 2HFY24 backed by better demand from the real estate sector. Continued strong traction in real estate should improve tiles demand over the next few years, in our view. In 2QFY24, we expect tiles demand to remain flat vs. last year; though KJC should report 7% YoY volume growth led by market share gains.

Reduce our FY24 volume estimate due to lower growth in 1HFY24

- We have cut our volume growth estimate for FY24 to 9% from earlier assumption of 11% growth. We, however, maintain our 12% volume growth estimate for FY25 as we expect the industry to witness higher demand from real estate sector over the next few years.
- KJC's volume reported a 9% CAGR over FY12-23 (despite Covid-related disruptions in FY20-21). We note that KJC's volume posted a CAGR of 18% over FY10-15, as the company benefitted from the real estate upcycle (demand for tiles is generally witnessed at the end of the project cycle).

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

Mudit Agarwal - Research analyst (Mudit.Agarwal@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.

- KJC benefits from its superior distribution strength and higher AD spends, which also help it command a pricing premium over its competitors. The company has 1,840 operative dealers vs. 750 in FY12 (CAGR of 8.5% over FY12-23), which help it generate higher volumes. The company aims to increase the dealer count by 450-500 in the next three years (target to reach 2,000 dealers in FY24).

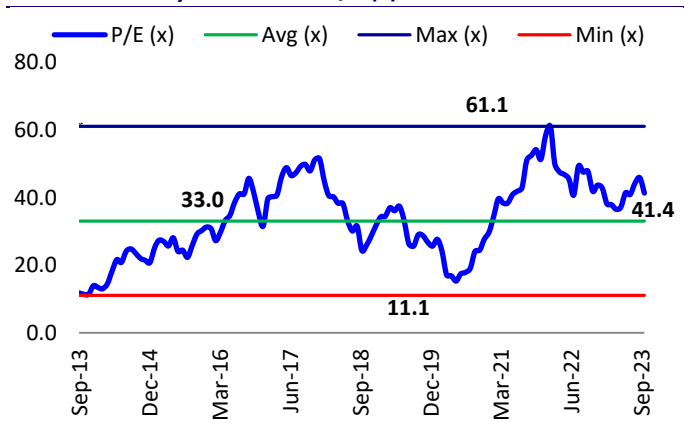
Cut our EPS by 4-6% for FY24/25E, introduce FY26 estimates

- We reduce our FY24/25E EBITDA by 3-5% on lower volume assumptions and expectation of a gas price hike. We cut our EPS too by 4-6% in FY24/25. We also introduce FY26 estimates and expect 18% YoY EPS growth in FY26.
- Our FY24-26 EBITDA estimates are 6-8% lower than Bloomberg consensus estimates and our EPS estimates are 8-9% lower than consensus estimates. We forecast an EBITDA/EPS CAGR of 21%/26% over FY23-26, fueled by volume growth and margin recovery.

Healthy earnings, return ratios & balance sheet stand KJC in good stead

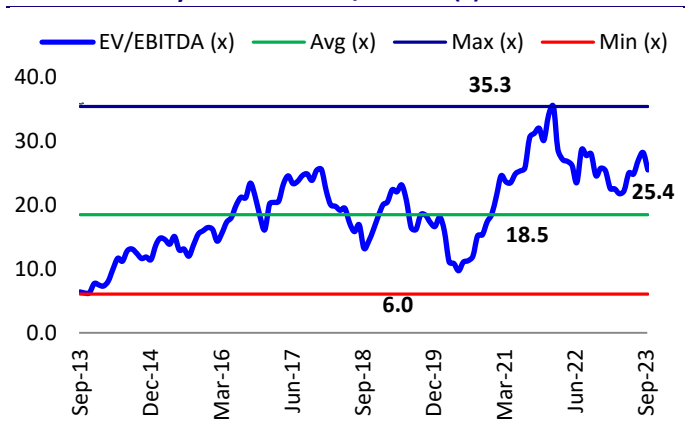
- KJC has been generating FCF since FY16, which is likely to continue going forward as well. The company turned net cash in FY19 and we expect it to remain so going ahead as well (net cash is estimated at INR3.9b in FY26 v/s INR1.8b in FY23) despite higher capex (INR10.2b over FY24-26). RoCE is projected to be at 22%/25%/27% in FY24/FY25/FY26 v/s 18% in FY23 (avg. of 20% over FY18-22).
- **We reiterate our BUY rating on KJC with a TP of INR1,580 based on 42x Jun'25E EPS (v/s 35x last five-year average one-year forward P/E).** We believe that: a) 26% earnings CAGR over FY23-26E, b) strong return ratios (RoE of 23%, RoCE of 27% and RoIC of 32% in FY26E), and c) healthy balance sheet will help KJC maintain its premium multiples.

Exhibit 1: One-year forward P/E (x) trend



Sources: Company reports, MOFSL

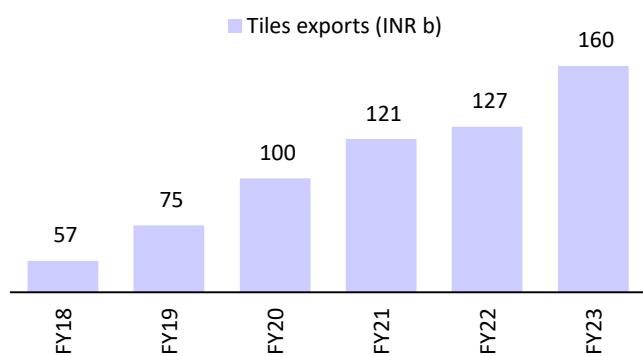
Exhibit 2: One-year forward EV/EBITDA (x) trend



Sources: Company reports, MOFSL

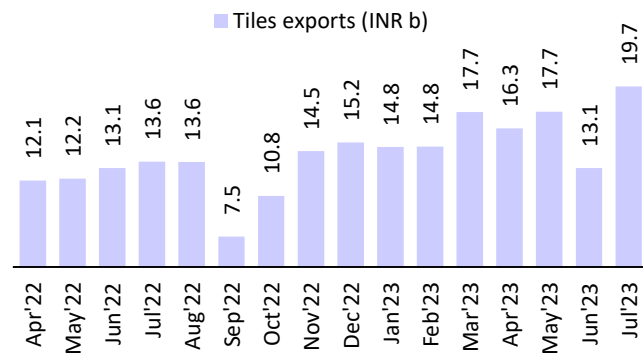
Story in charts

Exhibit 3: Tiles exports reported a 23% CAGR over FY18-23



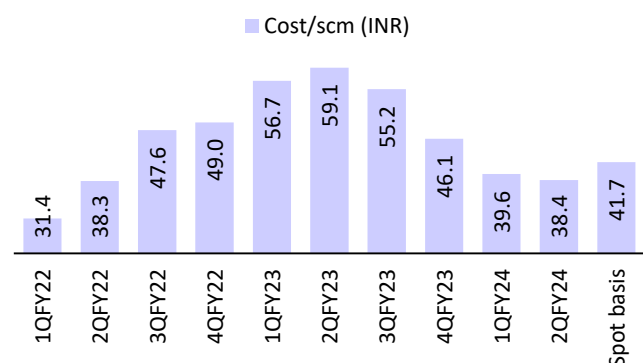
Source: Ministry of Commerce and Industry, MOFSL

Exhibit 4: Tiles exports monthly trend



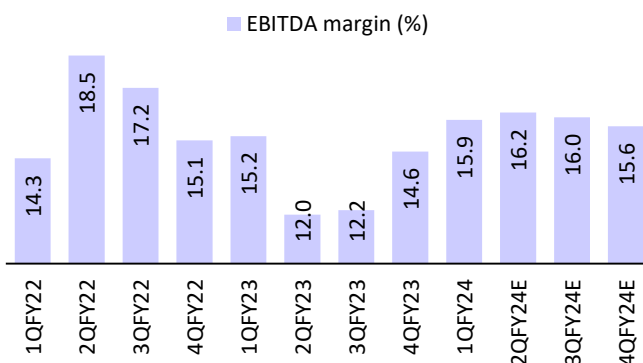
Source: Ministry of Commerce and Industry, MOFSL

Exhibit 5: KJC's quarterly average fuel cost/scm trend



Source: Company, MOFSL

Exhibit 6: KJC's quarterly EBITDA margin trend



Source: Company, MOFSL

Exhibit 7: Revisions to our estimates

(INR m)	Revised		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	48,081	53,677	48,819	54,467	(1.5)	(1.4)
EBITDA	7,586	9,045	7,950	9,354	(4.6)	(3.3)
OPM (%)	15.8	16.9	16.3	17.2	-51bp	-32bp
EPS (INR)	28.8	36.3	30.5	37.8	(5.6)	(3.8)

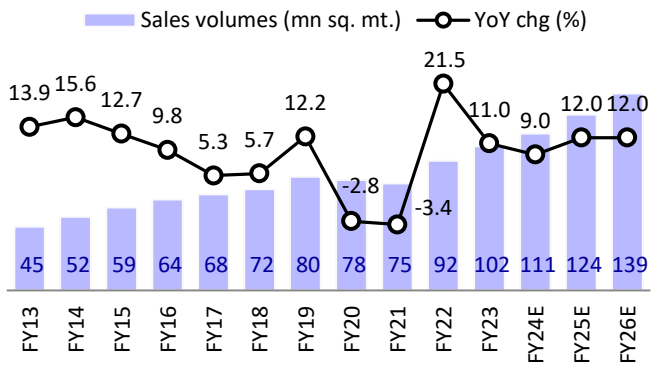
Source: Company, MOFSL

Exhibit 8: MOFSL estimates vs. consensus

(INR m)	MOFSL			Consensus			Difference (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	48,081	53,677	60,170	49,755	57,225	64,622	(3.4)	(6.2)	(6.9)
EBITDA	7,586	9,045	10,514	8,076	9,782	11,329	(6.1)	(7.5)	(7.2)
OPM (%)	15.8	16.9	17.5	16.2	17.1	17.5	-45bp	-24bp	-6bp
EPS (INR)	28.8	36.3	42.7	31.7	39.3	46.5	(9.0)	(7.6)	(8.2)

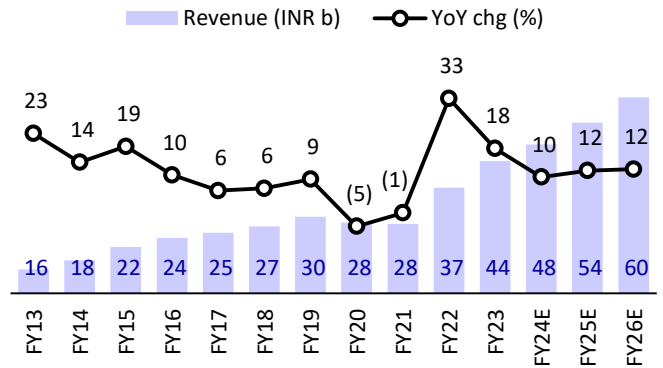
Source: Bloomberg, MOFSL

Exhibit 9: Expect 11% tiles volume CAGR over FY23-26



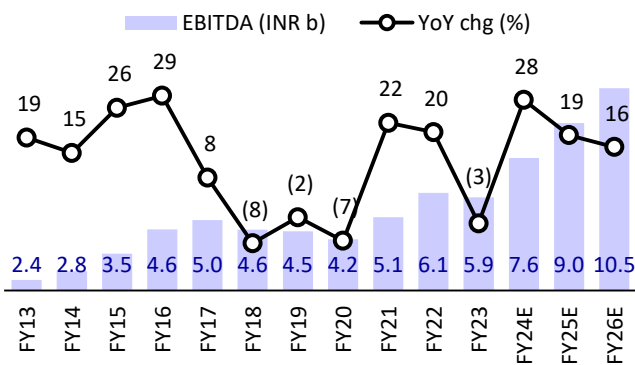
Source: Company, MOFSL

Exhibit 10: Revenue should clock 11% CAGR over FY23-26



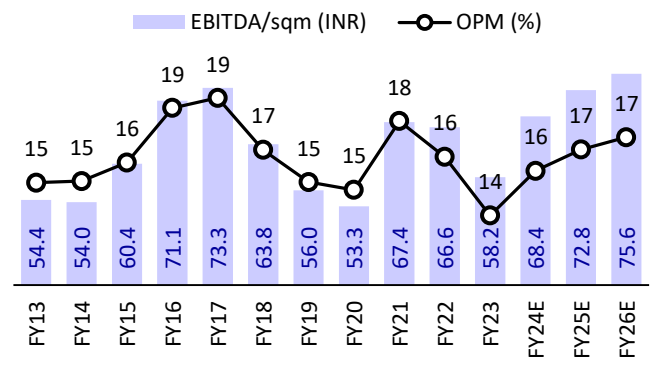
Source: Company, MOFSL

Exhibit 11: EBITDA should post 21% CAGR over FY23-26E



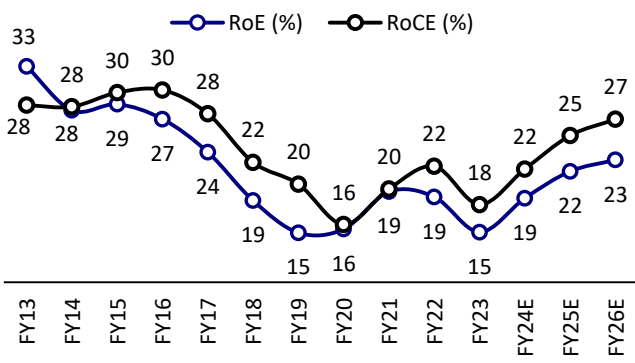
Source: Company, MOFSL

Exhibit 12: OPM margin is estimated at 16-17% over FY24-26



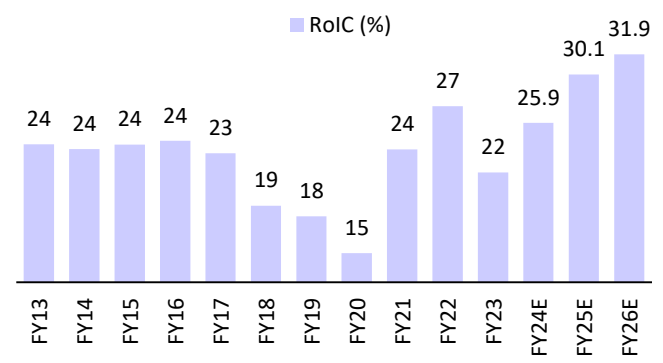
Source: Company, MOFSL

Exhibit 13: RoE/ROCE to improve



Source: Company, MOFSL

Exhibit 14: ROIC to remain strong



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement

	(INR m)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Sales	29,562	28,080	27,809	37,052	43,819	48,081	53,677	60,170
Change (%)	9.1	-5.0	-1.0	33.2	18.3	9.7	11.6	12.1
EBITDA	4,495	4,159	5,088	6,107	5,920	7,586	9,045	10,514
Margin (%)	15.2	14.8	18.3	16.5	13.5	15.8	16.9	17.5
Depreciation	891	1,081	1,067	1,154	1,329	1,511	1,441	1,616
EBIT	3,604	3,078	4,022	4,953	4,592	6,074	7,604	8,898
Int. and Finance Charges	156	195	107	127	223	319	287	255
Other Income - Rec.	180	242	213	276	336	370	407	447
PBT bef. EO Exp.	3,449	2,883	3,914	4,826	4,368	5,756	7,317	8,643
EO Expense/(Income)	-48	0	0	0	79	0	0	0
PBT after EO Exp.	3,580	3,125	4,127	5,102	4,625	6,125	7,724	9,090
Current Tax	1,304	937	1,083	1,210	1,174	1,540	1,941	2,285
Deferred Tax	-12	-348	-446	65	-11	0	0	0
Tax Rate (%)	36.1	18.9	15.4	25.0	25.1	25.1	25.1	25.1
Reported PAT	2,288	2,535	3,490	3,827	3,463	4,586	5,783	6,805
PAT Adj for EO items	2,239	2,535	3,490	3,827	3,404	4,586	5,783	6,805
Change (%)	-1.7	13.2	37.7	9.7	-11.1	34.7	26.1	17.7
Margin (%)	7.6	9.0	12.6	10.3	7.8	9.5	10.8	11.3
Less: Minority Interest	22.3	-18.4	8.5	57.6	17.0	18.4	19.8	21.4
Net Profit	2,217	2,554	3,482	3,770	3,387	4,567	5,763	6,784

Consolidated Balance Sheet

	(INR m)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	159	159	159	159	159	159	159	159
Total Reserves	15,590	16,984	18,530	21,065	23,109	25,288	27,867	31,467
Net Worth	15,749	17,143	18,689	21,224	23,268	25,447	28,026	31,626
Deferred Liabilities	1,059	716	674	726	738	738	738	738
Minority Interest	659	637	646	648	776	795	815	836
Total Loans	1,203	1,281	987	1,279	2,093	1,893	1,693	1,493
Capital Employed	18,671	19,777	20,996	23,877	26,875	28,873	31,271	34,693
Gross Block	16,759	19,009	20,052	20,777	25,076	27,076	30,576	34,076
Less: Accum. Deprn.	5,980	7,061	8,128	9,282	10,610	12,121	13,562	15,179
Net Fixed Assets	10,778	11,948	11,924	11,496	14,466	14,955	17,013	18,897
Capital WIP	934	266	149	2,634	817	2,000	2,000	2,000
Total Investments	3	101	50	0	19	19	19	19
Curr. Assets, Loans&Adv.	12,003	12,056	13,120	15,728	17,976	19,136	20,238	22,707
Inventory	4,058	5,127	3,731	4,659	5,647	6,295	6,970	7,798
Account Receivables	4,751	3,967	4,317	5,133	6,012	6,546	6,970	7,798
Cash and Bank Balance	2,524	2,252	4,428	4,244	3,938	4,910	4,766	5,396
Loans and Advances	671	710	645	1,693	2,380	1,385	1,533	1,715
Curr. Liability & Prov.	5,048	4,594	4,248	5,981	6,403	7,237	8,000	8,930
Account Payables	4,848	4,306	4,019	5,722	6,111	6,924	7,667	8,577
Provisions	200	288	229	259	293	313	333	353
Net Current Assets	6,955	7,462	8,873	9,747	11,573	11,899	12,239	13,776
Appl. of Funds	18,671	19,777	20,996	23,877	26,875	28,873	31,271	34,693

E: MOFSL estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
Consol EPS	14.1	15.9	21.9	24.0	21.4	28.8	36.3	42.7
Cash EPS	19.7	22.7	28.6	31.3	29.7	38.3	45.4	52.9
BV/Share	99.1	107.8	117.5	133.3	146.2	159.8	176.0	198.7
DPS	3.0	3.0	10.0	11.0	9.0	15.0	20.0	20.0
Payout (%)	25.1	22.7	45.6	45.8	41.4	52.1	55.1	46.8
Valuation (x)								
P/E	97.6	86.2	62.7	57.2	64.3	46.8	37.1	31.5
Cash P/E	69.9	60.5	48.0	43.9	46.3	35.2	29.7	25.5
P/BV	13.9	12.8	11.7	10.3	9.4	8.4	7.7	6.8
EV/Sales	7.3	7.7	7.7	5.8	5.0	4.4	3.9	3.5
EV/EBITDA	48.3	52.3	42.3	35.4	36.7	27.9	23.4	20.0
Dividend Yield (%)	0.2	0.2	0.7	0.8	0.7	1.1	1.5	1.5
Return Ratios (%)								
RoIC	17.7	14.5	23.6	27.4	21.6	25.9	30.1	31.9
RoE	15.2	15.5	19.4	18.9	15.2	18.8	21.6	22.7
RoCE	20.2	16.0	19.7	22.1	18.1	21.8	25.3	27.0
Working Capital Ratios								
Asset Turnover (x)	1.7	1.5	1.4	1.7	1.7	1.7	1.8	1.8
Working Capital (Days)	57	66	58	62	69	55	53	53
Leverage Ratio (x)								
Net Debt/Equity	(0.3)	(0.2)	(0.7)	(0.5)	(0.3)	(0.4)	(0.3)	(0.4)

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	3,580	3,125	4,127	5,102	4,625	6,125	7,724	9,090
Depreciation	891	1,081	1,067	1,154	1,329	1,511	1,441	1,616
Interest & Finance Charges	156	195	107	127	223	319	287	255
Direct Taxes Paid	(1,327)	(1,005)	(980)	(1,285)	(1,265)	(1,540)	(1,941)	(2,285)
(Inc)/Dec in WC	(117)	(993)	868	(621)	(1,851)	646	(484)	(907)
CF from Operations	3,183	2,403	5,189	4,476	3,061	7,062	7,026	7,769
Others	(9)	(159)	(101)	(221)	(106)	-	-	-
CF from Operating incl EO	3,174	2,244	5,088	4,255	2,955	7,062	7,026	7,769
(Inc)/Dec in FA	(1,235)	(1,240)	(1,127)	(2,687)	(2,317)	(3,183)	(3,500)	(3,500)
Free Cash Flow	1,938	1,004	3,961	1,568	639	3,879	3,526	4,269
(Pur)/Sale of Investments	681	(88)	(41)	(51)	(363)	-	-	-
Others	(2,055)	427	(1,788)	(241)	842	-	-	-
CF from Investments	(2,609)	(901)	(2,955)	(2,979)	(1,837)	(3,183)	(3,500)	(3,500)
Issue of Shares	(6)	3	53	52	12	-	-	-
Inc/(Dec) in Debt	(404)	(104)	(439)	112	239	(200)	(200)	(200)
Interest Paid	(156)	(153)	(68)	(92)	(166)	(319)	(287)	(255)
Dividend Paid	(575)	(1,150)	(1,591)	(1,273)	(1,433)	(2,388)	(3,184)	(3,184)
Others	-	-	-	-	-	-	-	-
CF from Fin. Activity	(1,141)	(1,404)	(2,045)	(1,201)	(1,348)	(2,907)	(3,671)	(3,639)
Inc/Dec of Cash	(576)	(60)	87	75	(230)	972	(145)	630
Opening Balance	798	221	161	248	335	105	1,078	933
Closing Balance	221	161	248	323	105	1,078	933	1,563
Bank balance	2,303	2,091	4,179	3,921	3,832	3,832	3,832	3,832
Total cash balance	2,524	2,252	4,428	4,244	3,938	4,910	4,766	5,396

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

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

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

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at

<http://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") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

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.