

Reliance Industries

BSE SENSEX 72,305 S&P CNX 21,951



Stock Info

	RELIANCE IN
Bloomberg	RELIANCE IN
Equity Shares (m)	6766
M.Cap.(INRb)/(USDb)	19697.8 / 237.5
52-Week Range (INR)	3000 / 1986
1, 6, 12 Rel. Per (%)	5/5/11
12M Avg Val (INR M)	16598
Free float (%)	50.9

Standalone Financials Snapshot (INR b)

Y/E March	FY24E	FY25E	FY26E
Sales	5,247	5,522	5,612
EBITDA	741	807	880
Adj. PAT	408	478	539
Adj. EPS (INR)	63.3	74.2	83.7
BV/Sh.(INR)	876	946	1,024

Ratios

Net D:E	0.3	0.3	0.2
RoE (%)	7.8	8.5	8.9
RoCE (%)	7.1	7.7	8.0
Payout (%)	10.7	10.7	10.7

Valuations

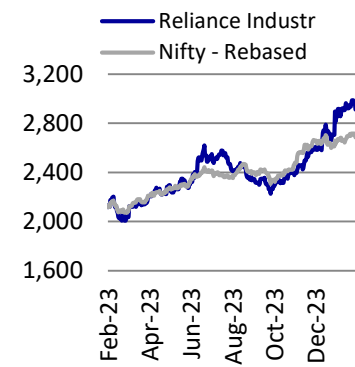
P/E (x)	46.0	39.3	34.8
P/BV (x)	3.3	3.1	2.8
EV/EBITDA (x)	27.6	25.1	22.8
Div. Yield (%)	0.2	0.3	0.3
FCF per share	7.7	60.9	55.7

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	49.1	49.1	49.1
DII	16.4	15.8	15.0
FII	24.0	24.4	25.6
Others	10.5	10.5	10.3

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR2,911 TP: INR3,210 (+10%) Buy

Strong O2C, giga factories to be key catalysts in FY25

- Singapore refining margin (SG GRM) remained robust at ~USD8.3/bbl in Feb'24, while key petchem spreads over Naphtha too picked up MoM in Feb'24. FY25 will witness Reliance Industries (RELIANCE IN) commence phase-wise operations from its PV and battery storage facilities, which we believe can be a key catalyst for the stock in 1HFY25.
- For Reliance Jio Infocomm Ltd. (RJio), we build in a CAGR of 11%/15% in revenue/EBITDA over FY24-26, factoring in a 5%/4% CAGR for subs/ARPU over the same period. The long-term outlook remains intact for RJio, aided by market share gains from VIL, tariff hikes, new growth opportunities (such as Jiofiber, Airfiber, and JioBharat), and other digital avenues triggered by the 5G rollout.
- Reliance Retail is expected to clock a CAGR of 24%/29% in revenue/EBITDA over FY24-26, led by accelerated store additions across segments, a recovery in store productivity, and an aggressive foray into digital and new commerce.
- We maintain our BUY rating on RIL, highlighting consistent strength in refining margins and ongoing improvements in petchem spreads for the O2C business.

Robust refining GRMs in Feb'24; petchem also improving

- In Feb'24, SG GRM averaged USD8.3/bbl, up from Jan'24 average of USD7.7/bbl. Gasoline margin rose 23% MoM in Feb'24, while diesel margin was at USD19.2/bbl (up 15% MoM).
- PE, PP and PX margins over naphtha in Feb'24 were up ~12%/14%/16% MoM at USD422/366/511 per mt respectively.
- We note that RIL's O2C earnings in 3QFY24 were impacted by a scheduled shutdown, and accordingly its 4QFY24 O2C earnings should see the full impact of higher volumes as well as improving spreads.

O2C earnings driven by strong refining; petchem bottoming out

- In the FY23-26 period, we build in a 10% CAGR in standalone EBITDA, driven by higher volumes (no major shutdowns like in FY24), strong refining margin, and a moderate expansion in petrochemical spreads, especially in FY26.
- We had highlighted previously in our report ([Can petrochemicals surprise in 2HFY25-26?](#)) that petrochemical capacity additions in the Asia-Pacific and Middle East regions are coming off sharply in CY24, which should alleviate over-supply concerns and lead to spreads bottoming out.
- Strong O2C earnings should result in robust FCF generation at the standalone level, which in our estimates rises from INR49bn in FY24 to INR359bn in FY26, thus providing support to the deleveraging argument.

Abhishek Nigam – Research Analyst (Abhishek.Nigam@MotilalOswal.com)

Aman Chowdhary – Research Analyst (Aman.Chowdhary@MotilalOswal.com) | **Tanmay Gupta** (Tanmay.Gupta@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.

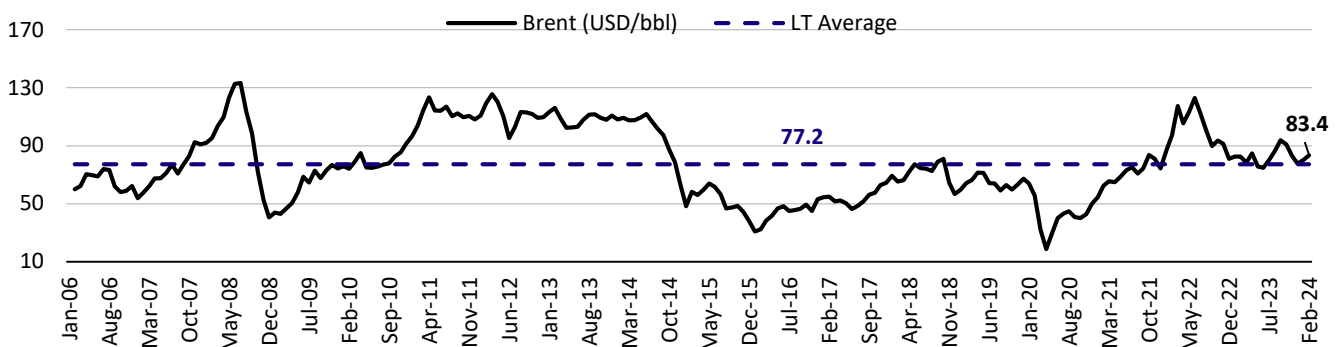
New energy to witness start of PV and battery storage facilities in FY25

- FY25 will witness RIL commence operations in phases at its solar PV giga factory and production of battery packs. While there is no “external revenue” for now, RIL should witness energy savings as it will replace conventional power with renewable energy from FY26. Over the medium term, energy costs may decline by ~30-40% (FY23 standalone utility expenditure: INR235b).
- RIL expects to scale up its 10GW PV factory to 20GW by CY26. The energy storage giga factory will initially have a 5GWh annual cell-to-pack manufacturing facility, which will ramp up to 50GWh by CY27.
- Meanwhile, policy support tailwinds for the renewable sector continue as the central government has increased budgetary allocations to solar and hydrogen by 110% and 102%, respectively.

Valuation and view

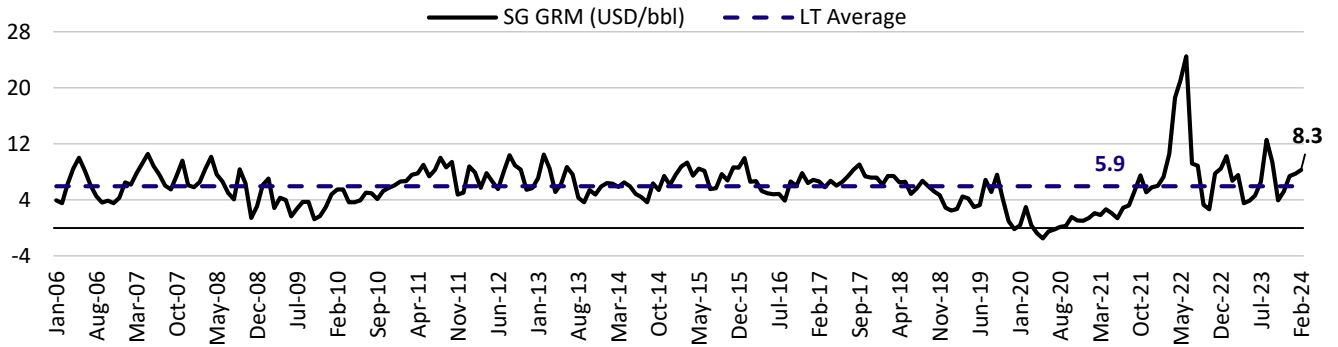
- We value Reliance Retail’s core business at ~35x EV/EBITDA on FY26E and connectivity at ~5x to arrive at our valuation of INR1,759. Reliance Retail’s value in RIL share is INR1,547/share (for its 87.9% stake). Our premium valuation multiples capture the opportunity for the rapid expansion of RIL’s retail business and the aggressive rollout of digital platforms.
- For RJio, we have broadly kept our estimates unchanged for FY25/FY26, factoring in a CAGR of 11%/15% in revenue/EBITDA during FY24-26. The business is valued at an EV/EBITDA multiple of 12x on FY26E EBITDA. Potential tariff hikes, market share gains from VIL, and opportunities in digital offer an option value of INR130, thereby arriving at a valuation of INR889/share (adjusted for its 66% stake).
- According to IEA estimates, global oil demand growth is projected to remain strong, led by transportation fuels. The global downstream chemical markets are likely to remain well-supplied in the near term. LNG demand remains stagnant as a milder winter in Northeast Asia and Europe has resulted in a lower-than-expected depletion in inventory.
- Using SoTP, we value the standalone business at 7.5x Dec’25E EV/EBITDA to arrive at a valuation of INR955/share. We ascribe an equity valuation of INR889/share to RJio and INR1,547/share to Reliance Retail (factoring in the recent stake sale) as well as INR37/share to the new energy business. We reiterate our BUY rating with a TP of INR3,210.

Exhibit 1: Brent has remained stable despite supply side risks due to Middle East tensions



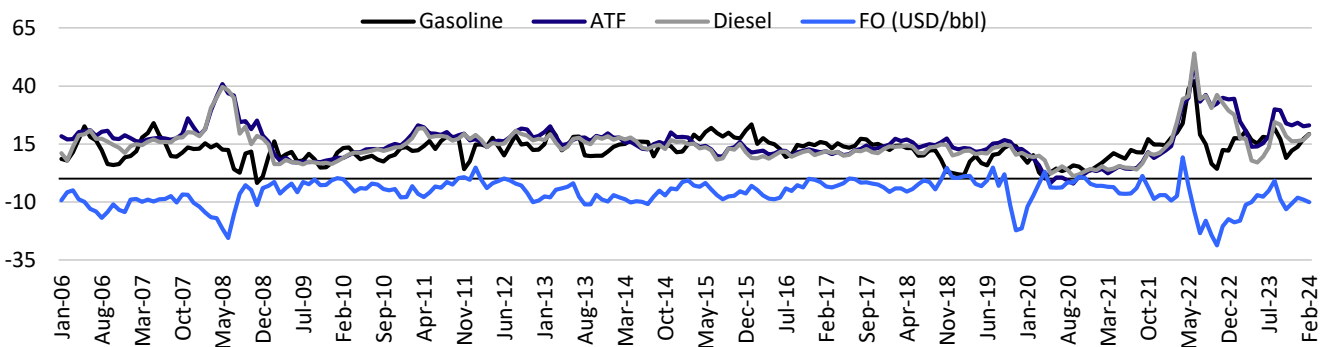
Source: Reuters, MOFSL

Exhibit 2: SG GRM has risen to USD8.3/bbl, currently at a premium of 41% to LT average



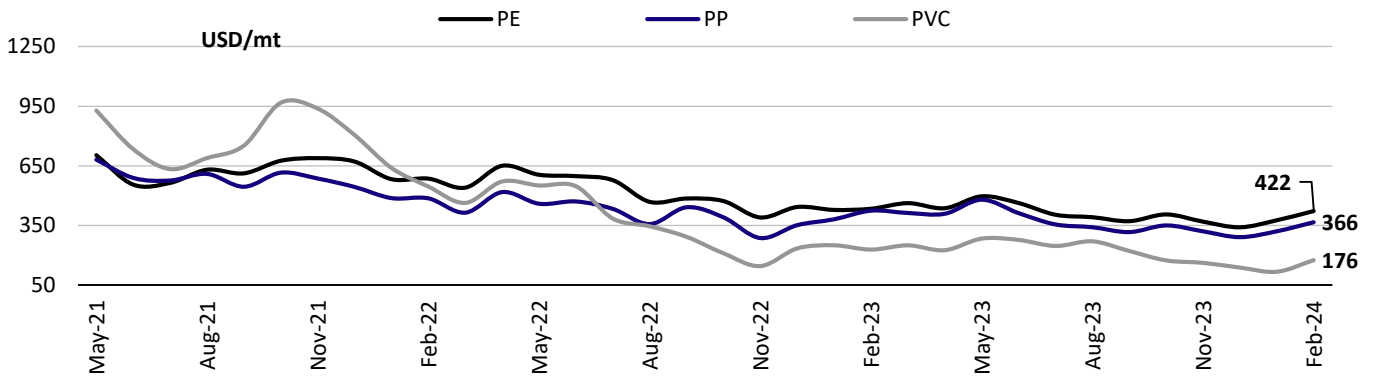
Source: Reuters, MOFSL

Exhibit 3: Diesel/petrol cracks seem to be improving



Source: Reuters, MOFSL

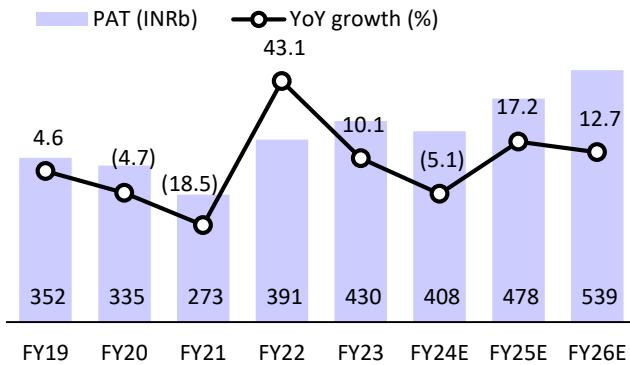
Exhibit 4: Petchem cracks improving as well



Source: Bloomberg, MOFSL

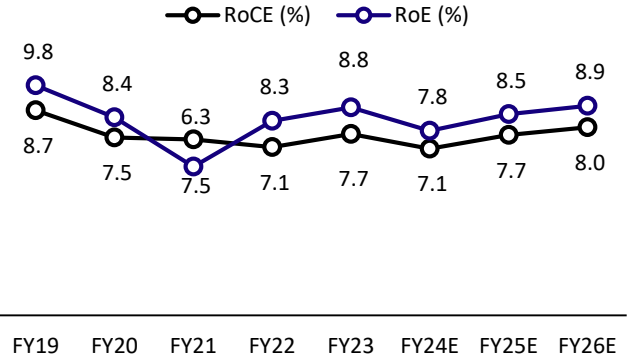
Story in charts

Exhibit 5: Standalone PAT profile



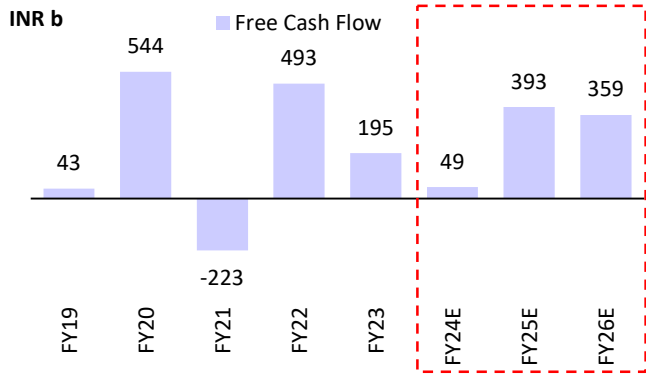
Source: Company, MOFSL

Exhibit 6: Return ratios to improve going forward



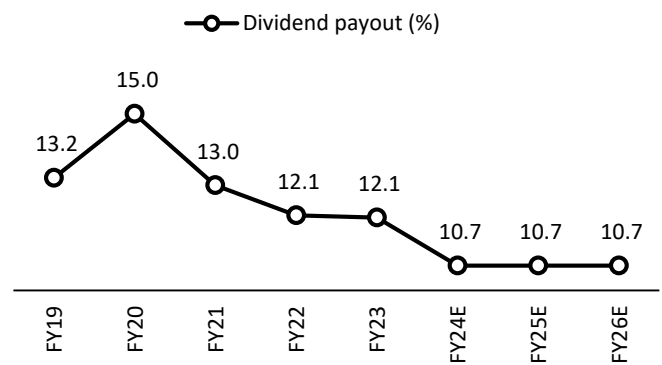
Source: Company, MOFSL

Exhibit 7: Standalone business to generate FCF of INR801b over FY24-26E...



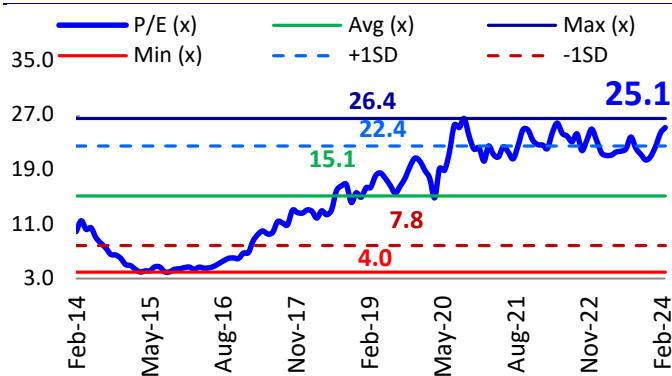
Source: Company, MOFSL

Exhibit 8: ...with expected dividend payout of ~10.7% going forward



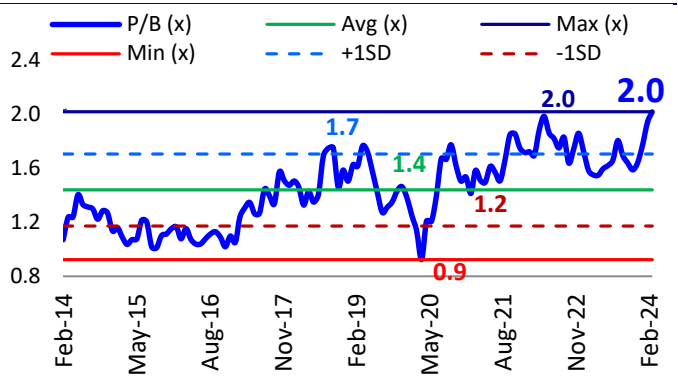
Source: Company, MOFSL

Exhibit 9: Consol one-year forward P/E



Source: Company, MOFSL

Exhibit 10: Consol one-year forward P/B



Source: Company, MOFSL

Financials and Valuations

Standalone - Income Statement								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Total Income from Operations	3,716	3,370	2,457	4,237	5,283	5,247	5,522	5,612
Change (%)	28.1	-9.3	-27.1	72.5	24.7	-0.7	5.2	1.6
EBITDA	589	528	335	523	656	741	807	880
Margin (%)	15.8	15.7	13.6	12.3	12.4	14.1	14.6	15.7
Depreciation	106	97	92	103	101	171	165	178
EBIT	483	431	243	420	555	570	641	702
Int. and Finance Charges	98	121	162	91	126	137	127	127
Other Income	88	136	148	139	112	103	122	142
PBT bef. EO Exp.	474	446	229	468	541	537	636	717
EO Items	0	-42	43	0	12	0	0	0
PBT after EO Exp.	474	403	272	468	553	537	636	717
Total Tax	122	94	-47	77	111	128	158	178
Tax Rate (%)	25.8	23.3	-17.4	16.5	20.1	23.9	24.8	24.8
Reported PAT	352	309	319	391	442	408	478	539
Adjusted PAT	352	335	273	391	430	408	478	539
Change (%)	4.6	-4.7	-18.5	43.1	10.1	-5.1	17.2	12.7
Margin (%)	9.5	9.9	11.1	9.2	8.1	7.8	8.7	9.6

Standalone - Balance Sheet								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	63	63	64	68	68	68	68	68
Total Reserves	3,990	3,849	4,680	4,648	4,958	5,323	5,750	6,232
Net Worth	4,053	3,912	4,745	4,715	5,026	5,390	5,818	6,299
Total Loans	1,572	1,973	1,667	1,946	2,166	1,884	1,884	1,884
Deferred Tax Liabilities	473	506	308	308	340	340	340	340
Capital Employed	6,098	6,391	6,720	6,969	7,531	7,614	8,041	8,523
Gross Block	3,286	4,417	4,512	3,943	4,100	4,642	5,022	5,402
Less: Accum. Deprn.	1,255	1,352	1,444	1,547	1,648	1,828	1,993	2,171
Net Fixed Assets	2,032	3,065	3,068	2,396	2,452	2,814	3,029	3,231
Capital WIP	1,116	280	328	347	489	506	576	646
Total Investments	3,317	4,918	3,473	4,088	4,086	4,086	4,086	4,086
Curr. Assets, Loans&Adv.	1,293	1,454	1,851	1,933	2,121	1,814	2,041	2,278
Inventory	441	388	374	459	489	486	511	520
Account Receivables	121	75	42	144	169	168	177	179
Cash and Bank Balance	38	85	56	217	618	206	420	594
Loans and Advances	693	907	1,379	1,113	845	955	933	985
Curr. Liability & Prov.	1,659	3,326	2,001	1,795	1,617	1,606	1,690	1,717
Account Payables	1,626	3,301	1,977	1,770	1,595	1,584	1,667	1,694
Provisions	33	25	24	25	22	22	23	24
Net Current Assets	-366	-1,872	-150	138	504	208	351	560
Appl. of Funds	6,098	6,391	6,720	6,969	7,531	7,614	8,041	8,523

Financials and Valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
EPS	54.6	52.0	42.4	60.6	66.7	63.3	74.2	83.7
Cash EPS	70.9	67.1	56.6	76.6	82.4	89.9	99.9	111.3
BV/Share	658.8	635.8	771.2	766.4	816.9	876.1	945.6	1,023.8
Valuation (x)								
P/E	53.4	56.1	68.8	48.1	43.7	46.0	39.3	34.8
Cash P/E	41.1	43.4	51.5	38.1	35.4	32.4	29.2	26.2
P/BV	4.4	4.6	3.8	3.8	3.6	3.3	3.1	2.8
EV/Sales	5.5	6.1	8.3	4.8	3.8	3.9	3.7	3.6
EV/EBITDA	34.5	39.1	60.9	39.2	31.0	27.6	25.1	22.8
Dividend Yield (%)	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3
FCF per share	6.7	84.3	-34.5	76.6	30.2	7.7	60.9	55.7
Return Ratios (%)								
RoE	9.8	8.4	6.3	8.3	8.8	7.8	8.5	8.9
RoCE	8.7	7.5	7.5	7.1	7.7	7.1	7.7	8.0
RoIC	26.1	24.1	14.4	13.6	19.1	16.8	16.7	17.2
Working Capital Ratios								
Fixed Asset Turnover (x)	1.1	0.8	0.5	1.1	1.3	1.1	1.1	1.0
Asset Turnover (x)	0.6	0.5	0.4	0.6	0.7	0.7	0.7	0.7
Inventory (Days)	43	42	56	40	34	34	34	34
Debtor (Days)	12	8	6	12	12	12	12	12
Creditor (Days)	160	358	294	152	110	110	110	110
Leverage Ratio (x)								
Current Ratio	0.8	0.4	0.9	1.1	1.3	1.1	1.2	1.3
Interest Cover Ratio	5.0	3.6	1.5	4.6	4.4	4.2	5.0	5.5
Net Debt/Equity	0.4	0.5	0.3	0.4	0.3	0.3	0.3	0.2

Standalone - Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	474	403	272	468	556	537	636	717
Depreciation	106	97	92	103	101	171	165	178
Interest & Finance Charges	98	121	162	91	126	137	127	127
Direct Taxes Paid	-94	-53	-17	-15	-49	-128	-158	-178
(Inc)/Dec in WC	-193	335	-320	138	-122	-116	72	-35
Others	-98	-129	-194	-111	-131	0	0	0
CF from Operations	292	775	-5	675	481	599	843	809
(Inc)/Dec in FA	-249	-232	-218	-181	-286	-550	-450	-450
Free Cash Flow	43	544	-223	493	195	49	393	359
(Pur)/Sale of Investments	-127	-1,309	1,202	-563	183	0	0	0
Others	-163	105	-242	292	97	0	0	0
CF from Investments	-539	-1,436	743	-453	-6	-550	-450	-450
Inc/(Dec) in Debt	415	118	-181	-238	277	-282	0	0
Interest Paid	-116	-145	-143	-110	-140	-137	-127	-127
Dividend Paid	-43	-46	-39	-43	-51	-44	-51	-58
CF from Fin. Activity	258	708	-766	-60	-74	-462	-178	-185
Inc/Dec of Cash	10	47	-29	161	401	-412	214	174
Opening Balance	27	38	84	56	217	618	206	420
Closing Balance	38	85	56	217	618	206	420	594

Financials and Valuations

Consolidated - Income Statement								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Total Income from Operations	5,671	5,967	4,669	7,000	8,795	9,236	10,288	11,245
Change (%)	44.8	5.2	-21.8	49.9	25.6	5.0	11.4	9.3
Total Expenditure	4,832	5,085	3,862	5,895	7,366	7,634	8,478	9,208
% of Sales	85.2	85.2	82.7	84.2	83.8	82.7	82.4	81.9
EBITDA	839	882	807	1,105	1,429	1,601	1,811	2,037
Margin (%)	14.8	14.8	17.3	15.8	16.2	17.3	17.6	18.1
Depreciation	209	222	266	298	403	498	523	583
EBIT	630	660	542	807	1,026	1,103	1,288	1,454
Int. and Finance Charges	165	220	212	146	196	210	205	212
Other Income	86	140	163	149	118	113	133	156
PBT bef. EO Exp.	551	579	493	810	948	1,006	1,215	1,398
EO Items	0	-44	56	28	0	0	0	0
PBT after EO Exp.	551	535	549	839	948	1,006	1,215	1,398
Total Tax	154	137	17	163	207	249	306	352
Tax Rate (%)	27.9	25.7	3.1	19.4	21.8	24.7	25.2	25.2
Minority Interest	-1	-1	41	69	74	75	93	107
Reported PAT	398	399	491	607	667	682	817	939
Adjusted PAT	398	432	437	584	667	682	817	939
Change (%)	7.2	8.4	1.1	33.8	14.2	2.3	19.7	15.0
Margin (%)	7.0	7.2	9.4	8.3	7.6	7.4	7.9	8.4

Consolidated - Balance Sheet								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	59	63	64	68	68	68	68	68
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0	0
Total Reserves	3,812	4,428	6,937	7,727	8,144	8,780	9,545	10,427
Net Worth	3,871	4,492	7,002	7,795	8,212	8,847	9,613	10,494
Minority Interest	83	122	993	1,095	1,130	1,130	1,130	1,130
Total Loans	2,719	2,914	2,238	2,820	3,351	3,351	3,351	3,351
Deferred Tax Liabilities	499	541	370	496	603	603	603	603
Capital Employed	7,173	8,069	10,602	12,206	13,296	13,932	14,697	15,579
Gross Block	5,868	7,450	7,802	8,938	10,289	13,239	14,639	15,639
Less: Accum. Deprn.	2,004	2,226	2,492	2,790	3,193	3,691	4,214	4,797
Net Fixed Assets	3,864	5,224	5,310	6,148	7,096	9,548	10,425	10,842
Goodwill on Consolidation	120	103	102	130	137	137	137	137
Capital WIP	1,795	1,091	1,260	1,725	2,938	1,188	688	588
Total Investments	2,403	2,768	3,648	3,943	3,366	3,366	3,366	3,366
Curr. Assets, Loans&Adv.	1,843	2,474	2,892	3,051	3,598	3,725	4,573	5,555
Inventory	676	739	817	1,078	1,400	1,470	1,638	1,790
Account Receivables	301	197	190	236	285	299	333	364
Cash and Bank Balance	111	309	174	362	747	109	544	1,152
Loans and Advances	755	1,229	1,711	1,375	1,167	1,847	2,058	2,249
Curr. Liability & Prov.	2,851	3,590	2,610	2,791	3,839	4,031	4,491	4,908
Account Payables	1,083	968	1,089	1,593	1,472	1,546	1,722	1,882
Other Current Liabilities	1,721	2,581	1,465	1,159	2,329	2,446	2,725	2,978
Provisions	47	41	56	38	38	40	44	48
Net Current Assets	-1,009	-1,116	282	260	-241	-307	82	647
Appl. of Funds	7,173	8,069	10,602	12,206	13,296	13,932	14,697	15,579

Financials and Valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
EPS	67.2	68.1	67.7	86.4	98.6	100.9	120.7	138.8
Cash EPS	94.3	101.5	109.0	136.9	166.1	183.2	207.9	236.2
BV/Share	601	697	1,086	1,209	1,274	1,373	1,491	1,628
DPS	6.0	6.0	6.4	7.0	7.9	6.9	7.6	8.5
Payout (%)	11.6	11.6	8.4	7.8	8.0	6.9	6.3	6.1
Valuation (x)								
P/E	43.4	42.8	43.0	33.8	29.6	28.9	24.1	21.0
Cash P/E	30.9	28.7	26.7	21.3	17.6	15.9	14.0	12.3
P/BV	4.9	4.2	2.7	2.4	2.3	2.1	2.0	1.8
EV/Sales	3.8	3.6	4.5	3.2	2.5	2.5	2.2	1.9
EV/EBITDA	25.5	24.2	25.8	20.1	15.6	14.3	12.4	10.8
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.3
FCF per share	-0.8	-22.1	14.3	-18.3	22.8	0.0	0.0	0.0
Return Ratios (%)								
RoE	11.7	10.3	7.6	7.9	8.3	8.0	8.9	9.3
RoCE	9.1	8.5	8.2	7.8	8.1	7.7	8.4	9.0
RoIC	17.7	14.5	11.1	11.1	12.9	10.7	9.9	10.6
Working Capital Ratios								
Fixed Asset Turnover (x)	1.0	0.8	0.6	0.8	0.9	0.7	0.7	0.7
Asset Turnover (x)	0.8	0.7	0.4	0.6	0.7	0.7	0.7	0.7
Inventory (Days)	43	45	64	56	58	58	58	58
Debtor (Days)	19	12	15	12	12	12	12	12
Creditor (Days)	70	59	85	83	61	61	61	61
Leverage Ratio (x)								
Current Ratio	0.6	0.7	1.1	1.1	0.9	0.9	1.0	1.1
Interest Cover Ratio	3.8	3.0	2.6	5.5	5.2	5.3	6.3	6.9
Net Debt/Equity	0.7	0.6	0.3	0.3	0.3	0.4	0.3	0.2

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
PBT	552	536	555	839	948	1,006	1,215	1,398
Depreciation	209	222	266	298	403	498	523	583
Tax paid	-122	-84	-32	-38	-207	-249	-306	-352
Change in deferred tax liability	0	0	0	0	0	0	0	0
Change in net working capital	-288	219	-507	7	-196	-573	47	43
Misc	72	87	-19	1	202	-75	-93	-107
Operating cash flow	423	981	262	1,107	1,150	608	1,387	1,565
Capex	-928	-756	-1,035	-970	-1,318	-1,200	-900	-900
Change in investments	-19	141	-473	3	294	0	0	0
Misc	-5	-142	92	-124	154	0	0	0
Investing cash flows	-951	-757	-1,416	-1,092	-870	-1,200	-900	-900
Change in borrowings	865	356	-837	99	381	0	0	0
Misc	-265	-337	-241	-285	-231	0	0	0
Issuance of equity	2	1	2,136	402	5	0	0	0
Others	-263	-335	1,895	117	-225	0	0	0
Dividend paid	-43	-46	-39	-43	-51	-47	-51	-58
Financing cash flow	559	-25	1,019	173	105	-47	-51	-58
Net change in cash	31	198	-135	188	385	-639	436	608
Closing cash balance	111	309	174	362	747	109	544	1,152

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 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 Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have 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. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, 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.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

(a) 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.

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.

To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the 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.

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.

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.

Disclosure of Interest Statement

Companies where there is interest

Analyst ownership of the stock

No

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 Financial Services Limited (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. 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 of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

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.