Reliance Industries

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

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

Stock Info	
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)

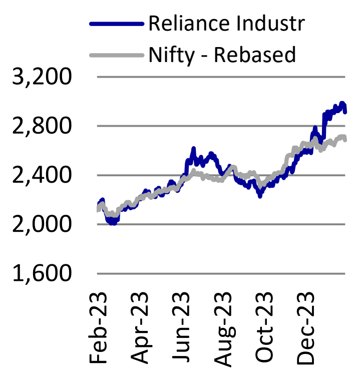
Y/E March	FY24E	FY25E	FY26E
Sales	5,247	5,522	5,612
EBITDA	741	807	880
Adj. PAT	408	478	539
Adj. EPS (INR)	63.3	74.2	83.7
BV/Sh.(INR)	876	946	1,024
Ratios			
Net D:E	0.3	0.3	0.2
RoE (%)	7.8	8.5	8.9
RoCE (%)	7.1	7.7	8.0
Payout (%)	10.7	10.7	10.7
Valuations			
P/E (x)	46.0	39.3	34.8
P/BV (x)	3.3	3.1	2.8
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)



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)

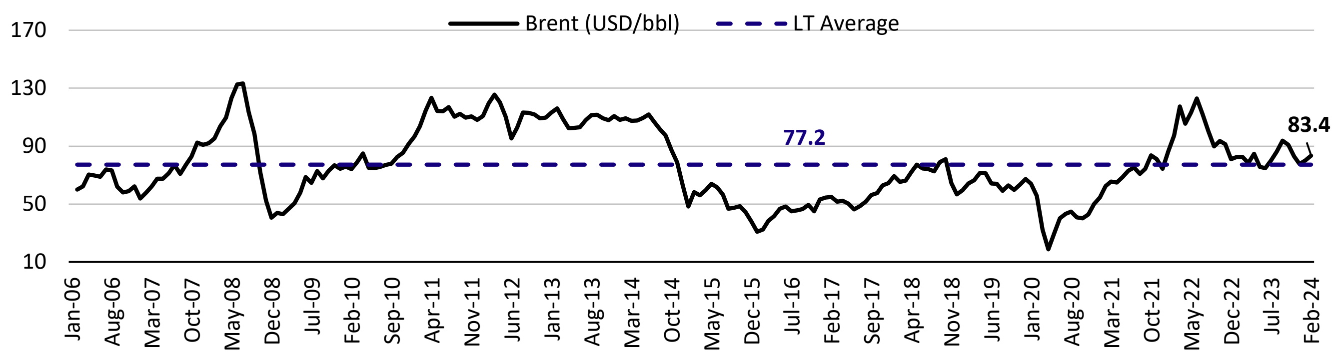
New energy to witness start of PV and battery storage facilities in FY25

- 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

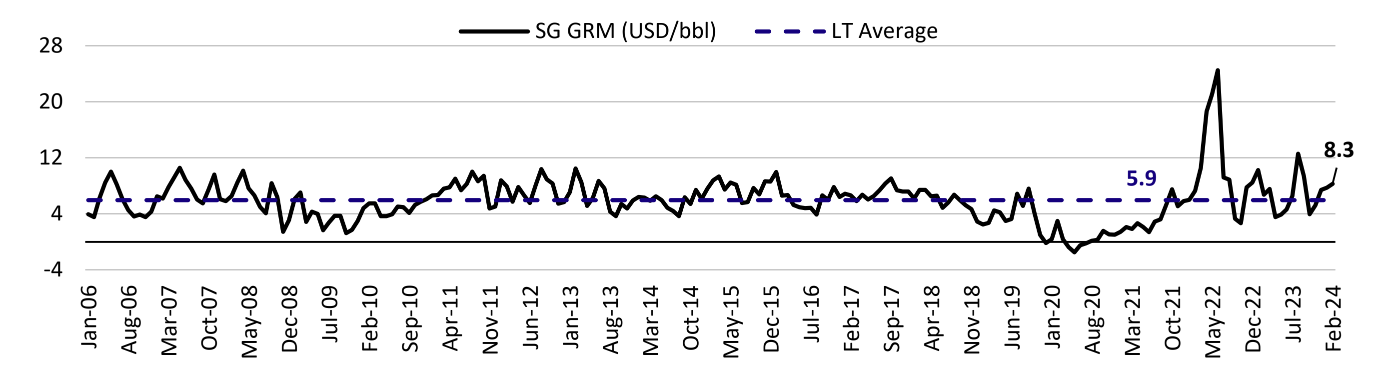
- We value Reliance Retail's core business at ~35x EV/EBITDA on FY26E and connectivity at ~5x to arrive at our valuation of INR1,759. Reliance Retail's value in RIL share is INR1,547/share (for its 87.9% stake). Our premium valuation multiples capture the opportunity for the rapid expansion of RIL's 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



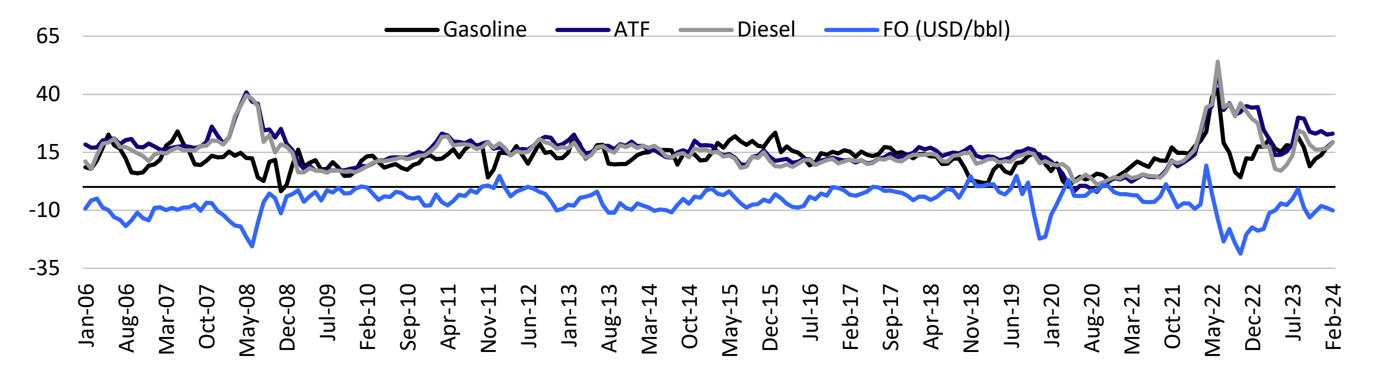
Source: Reuters, MOFSL

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



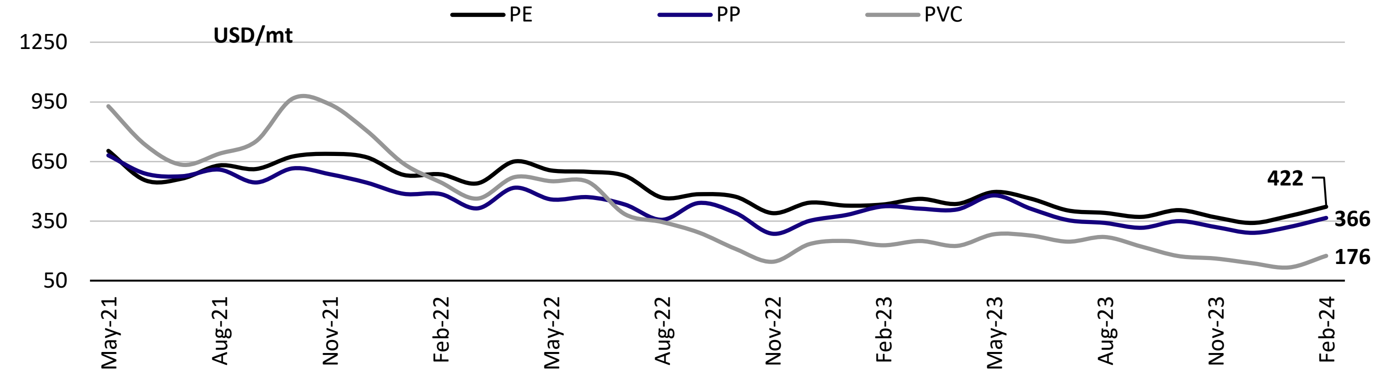
Source: Reuters, MOFSL

Exhibit 3: Diesel/petrol cracks seem to be improving



Source: Reuters, MOFSL

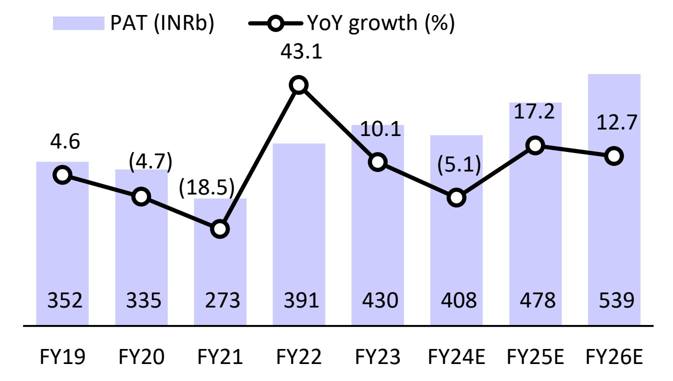
Exhibit 4: Petchem cracks improving as well



Source: Bloomberg, MOFSL

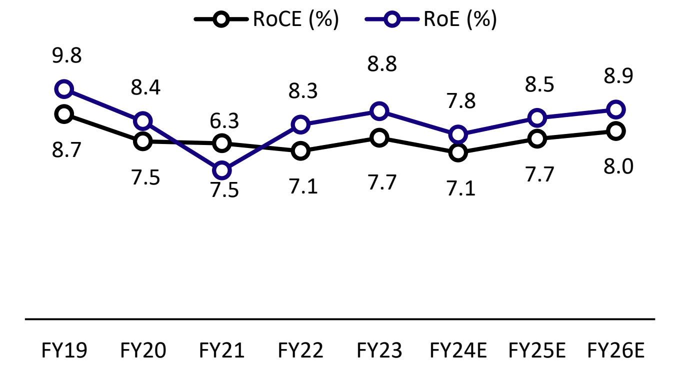
Story in charts

Exhibit 5: Standalone PAT profile



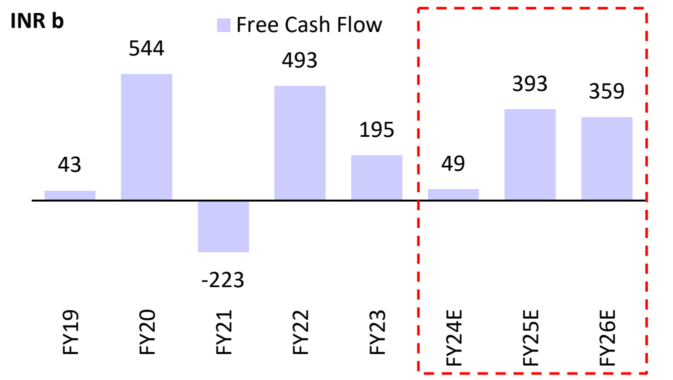
Source: Company, MOFSL

Exhibit 6: Return ratios to improve going forward



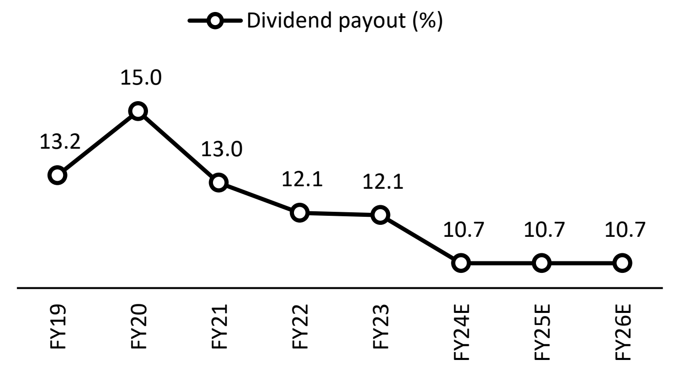
Source: Company, MOFSL

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



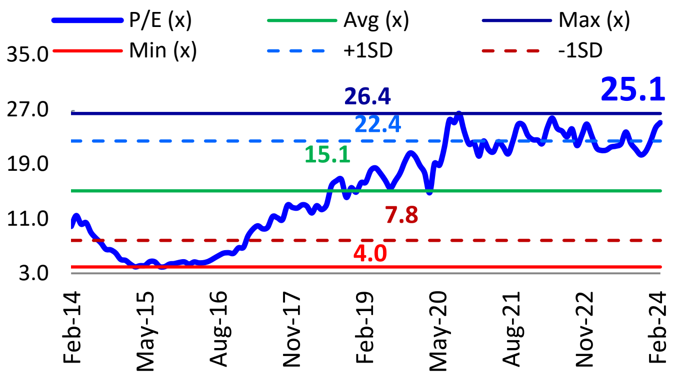
Source: Company, MOFSL

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



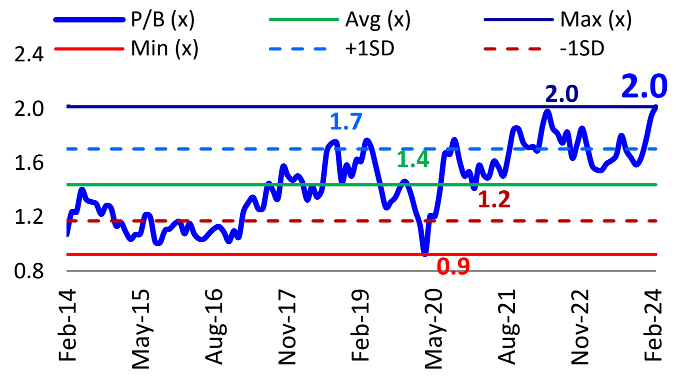
Source: Company, MOFSL

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

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, it's 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:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) 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 it's 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.

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