




Estimate changes	
TP change	
Rating change	

CMP: INR516 TP: INR625 (+21%) Buy

Performance in line; volume recovery sluggish

Bloomberg	MRCO IN
Equity Shares (m)	1290
M.Cap.(INRb)/(USDb)	668.4 / 8
52-Week Range (INR)	595 / 463
1, 6, 12 Rel. Per (%)	-6/-21/-21
12M Avg Val (INR M)	796

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	96.5	104.9	113.9
Sales Gr. (%)	-1.2	8.7	8.6
EBITDA	20.3	22.4	24.7
EBITDA Margin. %	21.0	21.4	21.7
Adj. PAT	14.6	16.3	18.1
Adj. EPS (INR)	11.3	12.7	14.1
EPS Gr. (%)	12.3	11.8	10.9
BV/Sh.(INR)	30.4	31.6	33.3

Ratios

RoE (%)	37.9	40.9	43.3
RoCE (%)	34.9	37.6	39.6
Payout (%)	92.6	90.8	88.9

Valuations

P/E (x)	45.5	40.7	36.7
P/BV (x)	17.0	16.3	15.5
EV/EBITDA (x)	32.1	28.9	26.2
Div. Yield (%)	2.0	2.2	2.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	59.4	59.4	59.5
DII	10.0	9.8	10.3
FII	25.8	26.0	25.2
Others	4.9	5.0	5.1

FII Includes depository receipts

- Marico (MRCO) reported an in-line revenue growth with a marginal beat on EBITDA. Domestic revenue was flat owing to the impact of price cuts and an unchanged volume trend. A sequential improvement was noted in urban areas, while the rural recovery was slow. However, the demand environment remained muted during the quarter.
- Domestic revenue is likely to improve in the ensuing quarters owing to a gradual volume recovery and a low price cut impact. We model an 8% revenue CAGR during FY24-26 for the domestic business.
- Gross margin hit a 23-quarter high of 51.3% in 3QFY24, driven by softer input costs. Consequently, management raised its EBITDA margin guidance by ~250bp to 21% for FY24. We model a 21-22% EBITDA margin during FY24-26, as we build a similar GM of 51% while assuming normalization in Ad spending.
- We value the stock based on 45x Dec'25E EPS to arrive at our **TP of INR625**. **We reiterate our BUY rating on MRCO**. It remains a play on rural recovery.

In-line show; volume to recover gradually

Consolidated

- MRCO's consolidated net sales declined marginally by 1.9% YoY to INR24.2b (est. INR24.2b) in 3QFY24.
- EBITDA/PBT/Adj. PAT grew 12.5%/11.7%/16.8% YoY to INR5.1b/INR5.0b/INR3.8b (est. INR5.1b/INR4.8b/INR3.6b) during the quarter.
- **Domestic volumes grew 2% YoY** (est. +3%).
- Consolidated gross margin expanded 630bp YoY/80bp QoQ to 51% (est. 50%) in 3QFY24.
- As a percentage of sales, higher staff costs (up 130bp to 7.8%), A&P expenses (up 125bp to 10.2%) and other expenditure (up 100bp to 12.1%), led EBITDA margin expansion of 270bp YoY to 21.2% in 3QFY24 (est. 20.9%).
- **In 9MFY24**, net sales declined 2% YoY, while EBITDA/adj. PAT grew 11.8%/16.3% YoY.

Highlights from the management commentary

- During the quarter, demand trends remained steady, and there was no apparent improvement from the previous quarter. FMCG volume growth, on a four-year CAGR basis, remained in low single digits.
- The mass home and personal care categories closely followed the subdued rural demand, while packaged foods led due to higher urban salience and penetration-driven growth.
- Rural demand remained subdued, while urban demand maintained its modest growth path.
- GT faced low growth, rising costs, and challenges in profitability and liquidity.
- Despite an increased brand-building investments in both core and new businesses, the gross margin is likely to expand by 450-500bp in FY24.
- Management expects an EBITDA margin expansion of ~250bp YoY in FY24.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Research Analyst: Pratik Prajapati (pratik.prajapati@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Valuation and view

- We keep our FY24/FY25 EPS estimates unchanged.
- MRCO's core portfolio has seen pressure from weak demand and price cuts. The company has initiated several steps to recover the volume, but the overall demand environment is not conducive. We believe once rural demand picks up, the traditional categories will bounce back to their normalized growth rate.
- The company has been consistent in delivering double-digit EBITDA growth and a better scorecard for MRCO. We model a 10% EPS CAGR during FY24-26E.
- The stock has been under pressure due to a consistent delay in demand recovery. We value the stock based on 45x Dec'25E EPS to arrive at our **TP of INR625. We reiterate our BUY rating on the stock.**

Quarterly Performance

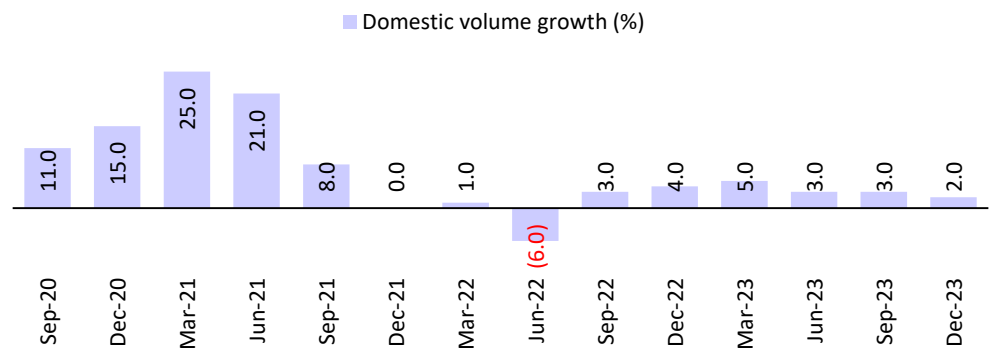
Y/E March	FY23				FY24E				FY23	FY24E	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
Domestic volume growth (%)	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	2.0	1.8	2.5	3.0	
Net Sales	25,580	24,960	24,700	22,400	24,770	24,760	24,220	22,749	97,640	96,499	24,206	0.1%
YoY Change (%)	1.3	3.2	2.6	3.7	-3.2	-0.8	-1.9	1.6	2.4	-1.2	-2.0	
COGS	14,060	14,070	13,600	11,780	12,390	12,260	11,800	11,027	53,510	47,477	12,151	
Gross Profit	11,520	10,890	11,100	10,620	12,380	12,500	12,420	11,721	44,130	49,021	12,055	3.0%
Gross margin (%)	45.0	43.6	44.9	47.4	50.0	50.5	51.3	51.5	45.2	50.8	49.8	
Other Expenditure	6,240	6,560	6,540	6,690	6,640	7,530	7,290	7,286	26,030	28,746	6,996	
% to Sales	24.4	26.3	26.5	29.9	26.8	30.4	30.1	32.0	26.7	29.8	28.9	
EBITDA	5,280	4,330	4,560	3,930	5,740	4,970	5,130	4,436	18,100	20,276	5,059	1.4%
Margins (%)	20.6	17.3	18.5	17.5	23.2	20.1	21.2	19.5	18.5	21.0	20.9	
YoY Change (%)	9.8	2.4	5.8	13.6	8.7	14.8	12.5	12.9	7.7	12.0	10.9	
Depreciation	360	370	390	430	360	390	420	422	1,550	1,592	406	
Interest	100	150	140	170	170	200	190	190	560	750	175	
Other Income	170	190	400	680	460	380	430	464	1,440	1,734	340	
PBT	4,990	4,000	4,430	4,010	5,670	4,760	4,950	4,287	17,430	19,667	4,818	2.7%
Tax	1,220	930	1,100	960	1,310	1,160	1,090	1,462	4,210	4,750	1,166	
Rate (%)	24.4	23.3	24.8	23.9	23.1	24.4	22.0	34.1	24.2	24.2	24.2	
Minority Interest	60	60	50	30	90	70	30	-481	-200	-291	50	
Adjusted PAT	3,710	3,010	3,280	3,020	4,270	3,530	3,830	3,307	13,420	15,208	3,602	6.3%
YoY Change (%)	4.2	-2.6	5.8	20.3	15.1	17.3	16.8	9.5	4.7	13.3	9.8	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY23				FY24		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
2Y average growth (%)							
Volume	8.0	5.5	2.0	3.0	-1.0	3.0	3.0
Sales	16.2	12.4	8.0	5.5	-0.9	1.2	0.3
EBITDA	6.4	5.6	5.1	11.0	9.2	8.6	9.2
PAT	5.6	2.2	3.4	14.0	9.7	7.3	11.3
% of Sales							
COGS	55.0	56.4	55.1	52.6	50.0	49.5	48.7
Operating Expenses	24.4	26.3	26.5	29.9	26.8	30.4	30.1
Depreciation	1.4	1.5	1.6	1.9	1.5	1.6	1.7
YoY change (%)							
COGS	-5.6	1.1	0.4	-1.8	-11.9	-12.9	-13.2
Operating Expenses	12.4	8.6	5.3	8.8	6.4	14.8	11.5
Other Income	-37.0	-24.0	81.8	183.3	170.6	100.0	7.5
EBIT	9.8	1.5	5.6	13.3	9.3	15.7	12.9

E: MOFSL Estimates

Exhibit 1: Domestic volume growth**Exhibit 2: Consolidated segmental details**

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Sales growth (%)							
Domestic	-3.6	1.4	1.9	1.8	-4.9	-3.4	-3.1
International	19.5	9.3	4.9	9.9	2.0	7.3	1.6
Total	1.3	3.2	2.6	3.7	-3.2	-0.8	-1.9
EBIT margin (%)							
Domestic EBIT margin	20.72%	17.35%	18.58%	17.94%	23.43%	20.52%	21.19%
International EBIT margin	24.49%	21.17%	21.65%	21.18%	27.85%	23.29%	24.80%
Total	21.66%	18.27%	19.35%	18.75%	24.59%	21.24%	22.13%

Source: Company, MOFSL

Exhibit 3: Market share of key categories in the India business

Franchise	~MS%	Rank
▲ Coconut Oil Franchise	62%	1 st
▲ Parachute Rigids within Coconut Oil	53%	1 st
● Saffola Oats	41%	1 st
● Value Added Hair Oils	27%	1 st
▲ Post wash Leave-on Serums	53%	1 st
● Hair Gels/Waxes/Creams	52%	1 st

^ Volume market share, *Value market share

Source: Company

Exhibit 4: Seizing Growth & Sustainability by MRCO in 3QFY24



Emissions & Energy

- **75%** reduction in GHG emission intensity (Scope 1+2)
- **67%** Renewable energy share (thermal + electrical)

Water Stewardship

- **Jalgaon** facility externally certified as the first 'net water positive' plant
- **866** farm ponds constructed; **320+ crore liters** of water conservation potential created till date

Circular Economy

- **95%** recyclable packaging share
- **EPR – 14,387 MT plastic waste** collected and disposed/recycled till date including recyclables and MLP

Sustainable Coconut

- **0.347 Mn** acreage enrolled covering **95,000 farmers** till date
- **16%** improvement in productivity in farms that have completed more than a year under the program

Social Value Creation

- **1.75 lakhs teachers and 15.16 lakhs students** registered in Nihar Shanti Pathshala Funwala's WhatsApp-based English literacy program

Marico's ESG framework comprises of 8 focus areas – Energy & Emissions, Water stewardship, Circular economy, Responsible sourcing, Brands with purpose, Inclusion and diversity, Sustainable agriculture and Corporate governance. To read the latest updates, please visit Marico's [ESG microsite](#)



19

Source: Company



Highlights from the management commentary

Business environment and outlook

- During the quarter, demand trends remained steady, and there was no apparent improvement from the previous quarter. FMCG volume growth, on a four-year CAGR basis, remained in low single digits.
- The mass home and personal care categories closely followed the subdued rural demand, while packaged foods led due to higher urban salience and penetration-driven growth.
- Rural demand remained subdued, while urban demand maintained its modest growth path.
- The current consumption growth pattern, resembling a K-shape, has widened the gap between general trade and organized retail.
- GT faced low growth, rising costs, and challenges in profitability and liquidity.
- The India business reported a 2% volume growth, decreasing sequentially due to stock reductions in key portfolios to support GT channel partners.
- There was a 5% volume growth on a four-year basis, and sequential growth improved for the core portfolio.
- Over 3/4th of the business is either gaining or maintaining market share and penetration levels.
- The performance of the new food business has consistently excelled and is expected to reach a minimum of INR 7.5b by year-end.
- True Elements and Plix have been experiencing significant growth in their respective categories.
- Beardo is expected to generate EBITDA this year, while Just Herbs and True Elements are anticipated to approach breakeven in the coming year.
- Management is optimistic about a gradual improvement in consumption trends over the next 4-5 quarters.

- In the overall digital business, there are growth drivers and significant GT potential and MRCO initiated this journey with Beardo in a small way.
- The company is consistently implementing a 2% to 3% price increase across the portfolio. It has had a minimal impact on volume. Considering these factors, management is confident of achieving a double-digit revenue growth in FY25.

Material costs, margin and guidance

- Despite an increased brand-building investments in both core and new businesses, the gross margin is likely to expand by 450-500bp in FY24.
- Management expects an EBITDA margin expansion of ~250bp YoY in FY24.

Segmental performance

Parachute coconut oil

- Volume was up 3%.
- Gained ~40bp in market share on a MAT basis.
- Management anticipates a gradual improvement in volume growth, driven by an upward bias in input costs and stable consumer pricing.

Saffola edible oil

- Edible oil posted a mid-single-digit volume decline on a high base and extended sluggishness in trade sentiment, resulting in lower inventory levels YoY.
- There was a mid-twenties YoY decline in revenue, attributed to pricing corrections over the last 12 months that had not yet impacted the base.
- The foods business delivered a steady performance with 18% YoY value growth.
- Saffola Oats maintained its category leadership, while Honey and Soya Chunks have been scaling up on expected lines.
- Saffola aims to sustain growth and retain its position as the leading brand in the Oats category. Additionally, honey and soya chunks are expected to reach INR1b each in the coming year.

VAHO

- VAHO value growth was 3%, indicating a slower recovery in rural demand.
- Value growth on a four-year CAGR basis was at 6%.
- The VAHO portfolio showed mixed trends, with bottom-of-the-pyramid segments being subdued and mid-to-premium segments growing in the mid-to-high-single digits.

Premium-personal care

- The premium Personal Care sustained its strong double-digit growth trajectory during the quarter.
- The Digital-first portfolio reported an annual recurring revenue of ~INR4b+ in 3QFY24.
- Foods and Premium Personal Care's strong growth positions us to achieve 20% of domestic revenues from these portfolios this year.
- Digital businesses amounted to 4.5b- 5b, and the company anticipates a double-digit EBITDA from them in the next two to three years.
- For foods and digital, the gross margin has been higher than that of the core portfolio this year.
- Plix makes a far higher margin than normal food because wellness brands get to make higher margins.

International business

- Bangladesh saw a 6% decline in CC growth due to transient macroeconomic challenges.
- Shampoo and baby care portfolios experienced healthy growth.
- Anticipate improved business performance in Bangladesh in the upcoming quarter.
- South-East Asia achieved 4% CC growth, hit by slower HPC demand in Vietnam.
- MENA sustained strong growth, delivering a 26% CC growth, with double-digit growth in the Gulf region and Egypt.
- South Africa recorded a 33% CC growth, primarily driven by the ethnic hair care segment.
- NCD and Exports exhibited a robust 16% growth.
- In the Middle East, North Africa, and other markets with potential for improved operating margin expansion, the goal is to sustain double-digit bottom-line growth in the coming year.

Valuation and view

What has happened in the last 10 years?

- In key categories such as Coconut Oil and VAHO, MRCO reported healthy sales growth, with volume growth for Parachute actually improving in recent years.
- In Saffola Foods (Oats), the company was able to strengthen its market share. It grew significantly in the Masala Oats category.
- Growth in Saffola (Edible Oil brand) has tapered off in recent years because of: a) strategic mistakes in terms of pricing, and b) inability to cater to the recently emerged Super Premium market segment.
- Similarly, the growth potential of brands Livon, Set Wet, and Zatak acquired from Paras/Reckitt has not been realized as they have not scaled up as expected.
- Growth in revenue and earnings has been healthy for the past 10 years, with a CAGR of ~8%/11%/13% in revenue/EBITDA/PAT. Over the past five years, growth has been robust, but has decelerated compared to previous years (sales/EBITDA/ PAT growth of ~9%/10%/~10%).

Our view on the stock

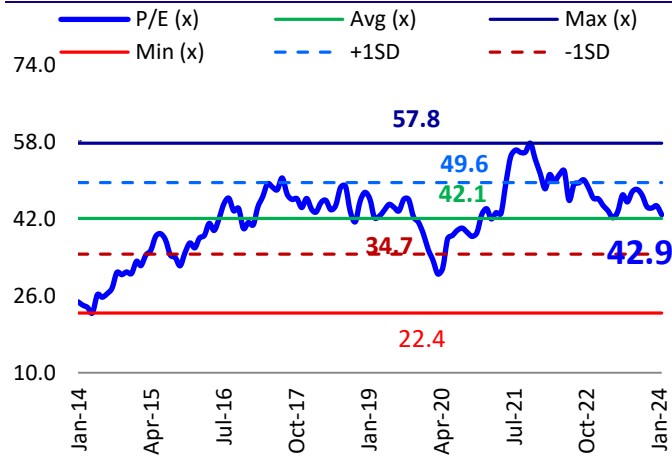
- We keep our FY24/FY25 EPS estimates unchanged.
- MRCO's core portfolio has seen pressure from weak demand and price cuts. The company has initiated several steps to recover the volume, but the overall demand environment is not conducive. We believe once rural demand picks up, the traditional categories will bounce back to their normalized growth rate.
- The company has been consistent in delivering double-digit EBITDA growth and a better scorecard for MRCO. We model a 10% EPS CAGR during FY24-26E.
- The stock has been under pressure due to a consistent delay in demand recovery. We value the stock based on 45x Dec'25E EPS to arrive at our **TP of INR625. We reiterate our BUY rating on the stock.**

Exhibit 5: No material changes to our model

	Old		New		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Sales	97,554	1,07,715	96,499	1,04,931	-1.1%	-2.6%
EBITDA	20,290	22,466	20,276	22,432	-0.1%	-0.2%
PAT	14,646	16,194	14,626	16,347	-0.1%	0.9%

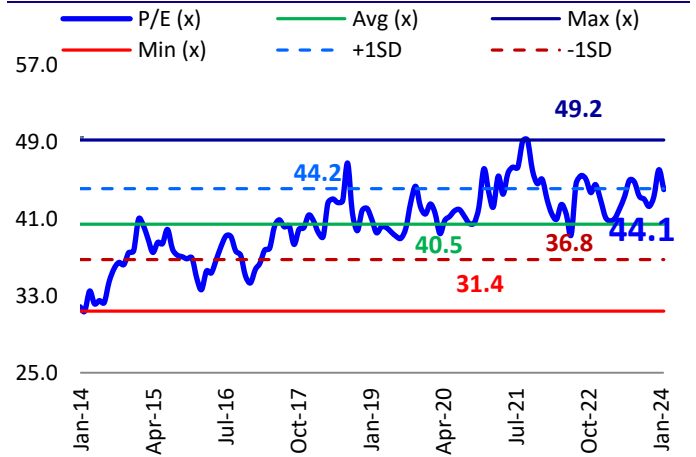
Source: Company, MOFSL

Exhibit 6: MRCO's P/E (x)



Source: Company, MOFSL

Exhibit 7: Consumer sector P/E (x)



Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net Sales	73,336	73,150	80,480	95,378	97,640	96,499	1,04,931	1,13,935
Change (%)	16.0	-0.3	10.0	18.5	2.4	-1.2	8.7	8.6
COGS	40,170	37,450	42,740	54,360	53,510	47,477	51,416	55,828
Gross Profit	33,166	35,700	37,740	41,018	44,130	49,021	53,515	58,107
Margin (%)	45.2	48.8	46.9	43.0	45.2	50.8	51.0	51.0
Operating Expenses	19,910	21,010	21,860	24,208	26,030	28,746	31,083	33,425
EBITDA	13,256	14,690	15,880	16,810	18,100	20,276	22,432	24,682
Change (%)	16.5	10.8	8.1	5.9	7.7	12.0	10.6	10.0
Margin (%)	18.1	20.1	19.7	17.6	18.5	21.0	21.4	21.7
Depreciation	1,310	1,400	1,390	1,390	1,550	1,592	1,776	1,942
Int. and Fin. Charges	400	500	340	390	560	750	550	450
Other Income - Recurring	1,030	1,240	1,131	958	1,440	1,734	1,828	1,998
Profit before Taxes	12,576	14,030	15,281	15,988	17,430	19,667	21,935	24,288
Change (%)	12.6	11.6	8.9	4.6	9.0	12.8	11.5	10.7
Margin (%)	17.1	19.2	19.0	16.8	17.9	20.4	20.9	21.3
Current Tax (excl MAT Ent)	1,430	3,470	3,240	3,460	4,210	4,750	5,298	5,867
Deferred Tax	-170	-160	0	0	0	0	0	0
Tax Rate (%)	10.0	23.6	21.2	21.6	24.2	24.2	24.2	24.2
Minority Interest	-160	-220	-310	-290	-200	-291	-290	-293
Profit after Taxes	11,156	10,500	11,731	12,238	13,020	14,626	16,347	18,129
Change (%)	37.0	-5.9	11.7	4.3	6.4	12.3	11.8	10.9
Margin (%)	15.2	14.4	14.6	12.8	13.3	15.2	15.6	15.9
Reported PAT	11,156	10,210	11,851	12,238	13,020	14,626	16,347	18,129

Balance Sheet

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Share Capital	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Reserves	28,460	28,940	31,110	31,890	36,700	37,892	39,532	41,683
Net Worth	29,750	30,230	32,400	33,180	37,990	39,182	40,822	42,973
Minority Interest	120	130	180	570	1,570	1,861	2,151	2,444
Loans	3,490	3,350	3,480	3,450	4,750	3,450	3,250	3,050
Capital Employed	33,360	33,710	36,060	37,200	44,310	44,493	46,223	48,467
Gross Fixed Assets	11,180	12,650	15,450	17,910	22,240	24,740	27,240	29,240
Less: Accum. Depn.	-3,210	-4,070	-5,460	-6,850	-8,400	-9,992	-11,767	-13,709
Net Fixed Assets	7,970	8,580	9,990	11,060	13,840	14,748	15,473	15,531
Capital WIP	450	580	240	390	670	670	670	670
Goodwill	5,030	5,380	6,130	6,540	8,620	8,620	8,620	8,620
Investments	4,500	7,330	8,540	8,280	10,960	10,960	10,960	10,960
Current	3,910	6,280	6,280	6,410	5,780	5,780	5,780	5,780
Non-current	590	1,050	2,260	1,870	5,180	5,180	5,180	5,180
Curr. Assets, L&A	29,120	26,560	28,340	29,420	33,910	30,483	33,436	37,733
Inventory	14,110	13,800	11,280	14,150	12,250	12,741	13,863	15,066
Account Receivables	5,170	5,390	3,880	6,520	10,150	6,079	6,611	7,178
Cash and Bank Balance	5,520	2,790	9,250	5,250	7,560	7,741	8,826	11,122
Others	4,320	4,580	3,930	3,500	3,950	3,921	4,137	4,367
Curr. Liab. and Prov.	15,600	16,250	18,200	19,270	23,370	20,668	22,616	24,727
Current Liabilities	3,880	4,240	5,190	4,430	7,260	7,986	8,785	9,663
Accounts Payable	9,440	9,780	11,340	13,440	14,520	10,831	11,677	12,554
Provisions	2,280	2,230	1,670	1,400	1,590	1,851	2,154	2,509
Net Current Assets	13,520	10,310	10,140	10,150	10,540	9,815	10,820	13,006
Deferred Tax Liability	1,890	1,530	1,020	780	-320	-320	-320	-320
Application of Funds	33,360	33,710	36,060	37,200	44,310	44,493	46,223	48,467

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Basic (INR)								
EPS	8.6	8.1	9.1	9.5	10.1	11.3	12.7	14.1
Cash EPS	8.2	9.1	10.1	10.6	11.3	12.7	14.1	15.7
BV/Share	23.1	23.4	25.1	25.7	29.4	30.4	31.6	33.3
DPS	5.0	6.8	7.5	9.3	9.5	10.5	11.5	12.5
Payout %	57.8	85.3	81.6	97.5	94.1	92.6	90.8	88.9
Valuation (x)								
P/E	59.7	63.4	56.7	54.4	51.1	45.5	40.7	36.7
Cash P/E	62.8	56.6	51.2	48.8	45.7	40.8	36.5	32.9
EV/Sales	9.0	9.0	8.1	6.9	6.7	6.7	6.2	5.7
EV/EBITDA	49.7	44.9	41.0	39.0	36.0	32.1	28.9	26.2
P/BV	22.4	22.0	20.5	20.1	17.5	17.0	16.3	15.5
Dividend Yield (%)	1.0	1.3	1.5	1.8	1.8	2.0	2.2	2.4
Return Ratios (%)								
RoE	40.4	35.0	37.5	37.3	36.6	37.9	40.9	43.3
RoCE	37.7	33.1	35.3	35.0	33.5	34.9	37.6	39.6
RoIC	49.0	44.2	55.6	58.5	51.9	56.4	61.6	67.0
Working Capital Ratios								
Debtor (Days)	26	27	18	25	38	23	23	23
Asset Turnover (x)	2.2	2.2	2.2	2.6	2.2	2.2	2.3	2.4
Leverage Ratio								
Debt/Equity (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Cash Flow Statement

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
OP/(loss) before Tax	12,570	13,740	15,401	15,988	17,430	19,667	21,935	24,288
Others	-460	-100	-231	22	-580	111	128	147
Depreciation	1,310	1,500	1,390	1,390	1,550	1,592	1,776	1,942
Interest Paid	-140	-220	340	390	70	750	550	450
Direct Taxes Paid	-3,200	-2,900	-3,240	-3,460	-3,690	-4,750	-5,298	-5,867
(Incr)/Decr in WC	210	330	7,230	-3,870	-590	733	-115	-114
CF from Operations	10,290	12,350	20,890	10,460	14,190	18,103	18,975	20,847
(Incr)/Decr in FA	-1,430	-1,860	-3,210	-3,020	-1,570	-2,500	-2,500	-2,000
Free Cash Flow	8,860	10,490	17,680	7,440	12,620	15,603	16,475	18,847
(Pur)/Sale of Investments	1,030	-1,890	0	-130	-8,200	0	0	0
Others	-2,940	3,310	90	380	480	0	-3	-4
CF from Invest.	-3,340	-440	-3,120	-2,770	-9,290	-2,500	-2,503	-2,004
Issue of Shares	0	0	225	453	90	0	0	0
(Incr)/Decr in Debt	-50	-690	130	-30	1,280	-1,300	-200	-200
Dividend Paid	-6,820	-10,250	-9,675	-11,933	-6,070	-13,545	-14,835	-16,125
Others	-110	-520	-520	-670	-900	-578	-352	-222
CF from Fin. Activity	-6,980	-11,460	-9,840	-12,180	-5,600	-15,423	-15,387	-16,547
Incr/Decr of Cash	-30	450	7,930	-4,490	-700	181	1,085	2,296
Add: Opening Balance	1,414	1,384	1,834	9,764	5,274	4,574	4,755	5,840
Closing Balance	1,384	1,834	9,764	5,274	4,574	4,755	5,840	8,136

E: MOFSL Estimates

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

NOTES

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

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

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

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