

## Progressing steadily; expects gradual macro recovery

We met with the top management team of ITC, represented by Mr. Supratim Dutta – Executive Director & CFO, to discuss the industry outlook, growth prospects for its business verticals, profitability outlook, and other focus areas. Here are the key takeaways from the discussion: The company is looking to grow beyond macro recovery by implementing new initiatives and expanding its product portfolio. Cigarette business has recovered well post Covid (now at 97-98% of peak cigarette volume in FY13). Steady macro and government initiatives (stable taxes, control over illegal cigarette, etc.) are expected to further help ITC to sustain volume growth. The management is hopeful for positive steps by the government in the upcoming budget, which should boost consumption expenditure. In the backdrop of steady macros and taxes, we estimate that the company can achieve low to mid-single digit cigarette volume growth with mid to high single-digit EBIT growth in the medium term. Rural trends were somewhat similar to the previous quarter, but it is expected that more initiatives by the government will drive consumption. ITC's FMCG business has outperformed peers by focusing on categories that are characterized by low household penetration/low per capita consumption, which in turn leads to a high TAM expansion potential. In the medium term, the growth outlook is positive for the FMCG business. Its paper business is seeing weakness (revenue and margin) and agri business remains volatile due to curbs on agri commodity trading (Govt. regulations). The Union Budget will be a key monitorable for taxes on cigarette business and overall initiatives for consumption boost. **We reiterate our BUY rating with SOTP-based TP of INR500 (implied 27x FY26E EPS).**

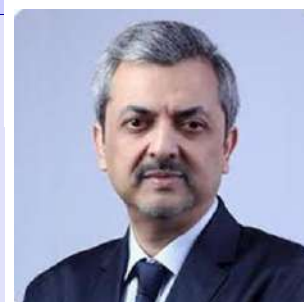
### Cigarette to sustain steady volume-led growth

ITC's cigarette business has seen volume recovery in FY23 and FY24, with cigarette volume almost at par with its peak volumes in FY13. Stability in taxes and various government initiatives to curb illegal cigarettes have been supporting the legal cigarette market. ITC has done various product innovations in the last 2-3 years to consolidate its market share. The capsule variants have witnessed strong growth, leveraging in-house manufacturing capability, which provides several competitive advantages. ITC has intensified active trade marketing efforts for better last-mile execution. The business achieved 8% YoY growth in net revenue to INR337b in FY24. We model a 6.5% revenue CAGR, 3.5% volume CAGR and 6.5% EBIT growth during FY24-26E with steady macros and taxes.

### FMCG business to sustain industry-leading growth

ITC's FMCG businesses outpaced industry growth in urban and rural markets through product innovation, presence in relevant categories and leveraging distribution capabilities. With a portfolio of over 25 Indian brands, including home-grown names, ITC has expanded its footprint in over 70 countries. The Branded Packaged Foods segment is sustaining healthy growth, supported by robust e-commerce collaborations and growing digital sales. The company's multi-channel distribution network now reaches nearly 7m retail outlets, strengthening its market coverage to 2x the pre-pandemic level. Overall FMCG growth was ~10% in FY24. We expect FMCG business margins to likely remain stable, with a gradual improvement over the year.

ITC



**Mr Supratim Dutta,**  
Chief Financial Officer

Mr. Dutta was appointed as a Wholetime Director on the Board of ITC effective Jul'22. He is, inter alia, responsible for Finance, Accounting, Internal Audit & IT Functions and also for the Investment Subsidiaries of the Company. He joined ITC in Nov'90. During his career of over three decades at ITC, he was Executive VP - Corporate Finance in charge of the Corporate Treasury, Strategic Planning and Corporate Planning Functions of the Company. He is a qualified Chartered Accountant and Cost Accountant.

### Extracts from Annual Report

Tax stability in cigarettes and enforcement actions have helped the legal industry combat illicit trade and regain volumes, boosting domestic and export demand for Indian tobacco.

It is estimated that illicit trade causes an annual revenue loss of around INR210b to the Exchequer.

ITC's vibrant portfolio of over 25 Indian brands, built through organic growth, represents annual consumer spending of nearly INR325b and reaches over 250m households in India.

**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.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

## Challenging FY24 for paperboards & packaging business with gradual recovery expected in FY25

The Paperboards, Paper & Packaging segment faced several challenges, including weak domestic and export demand, cheap Chinese supplies, rising domestic wood costs, and a high base effect. Despite these headwinds, the business strengthened its leadership in the value-added paperboard (VAP) segment through innovation, customized solutions, and strong end-user engagement. The packaging and printing industry also faced subdued demand in key segments and progressive de-cartonization in the liquor industry, creating a challenging operating environment. The recent capacity addition at Nadiad, Gujarat, with state-of-the-art equipment for the western market, has enhanced capabilities in carton packaging, with capacity utilization progressively ramping up. Overall, the business contracted by 8% to INR83b in FY24, with EBIT margins shrinking by 880bp. We expect demand to remain soft in 1QFY25, with recovery in business and margin improvement likely in coming quarters.

The recent capacity addition at Nadiad, Gujarat, with state-of-the-art equipment, has enhanced the business's capabilities in cartons packaging for the western region. Capacity utilization at the facility was ramped up in FY24.

## Agri business – focus on value-added products

The Leaf Tobacco Business enhanced its global supply chain by leveraging crop expertise, product quality, and sustainable practices. It expanded its presence in Indian Burley tobacco markets, increasing crop size through sustainable programs. Operational efficiency and customer engagement bolstered its position as India's largest exporter of unmanufactured tobacco. The company is also focused on scaling up value-added agri products such as spices, coffee, etc. Despite a 13% decline in FY24, the agri business EBIT margin improved by 40bp to 8%. While the business may remain volatile on a QoQ basis, we expect steady YoY growth.

The scale of operations in agri business has grown manifold over the years and currently encompasses nearly 3m tons of annual volume throughput in 22 states and over 20 agri-value chains.

## Valuation and view

- ITC's core businesses of cigarette and FMCG are seeing steady growth. Key monitorables are overall demand recovery, rural recovery and government's initiatives to drive consumptions. FMCG continues to enjoy industry leading growth over peers due to ITC's category presence (large unorganized mix, under-penetrated, etc.). Consistent margin improvement further provides confidence in growth without compromising profitability.
- After the demerger of its asset-heavy hotels business, ITC's return profile will also improve. Margin improvements in the other FMCG business will further enhance return ratios and valuation multiples.
- Capital efficiency will further improve operating cash flow, leading to a healthy sustainable dividend yield (3-4%).
- **We reiterate our BUY rating with SOTP-based TP of INR500 (implied 27x FY26E EPS).**

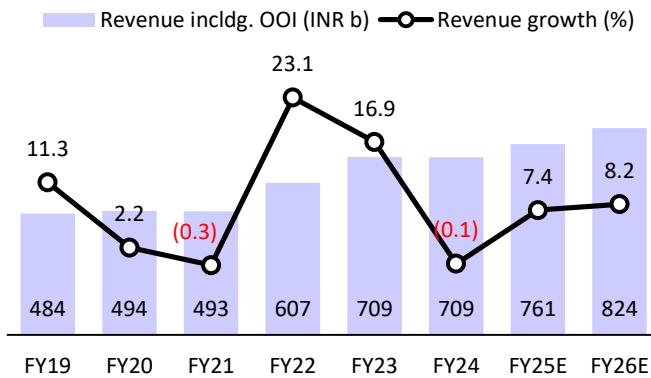
**Exhibit 1: Segmental Information**

Segmental Information	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Net sales (INR b)</b>								
Cigarettes	207.1	212.0	225.6	261.6	312.7	336.7	360.2	381.9
FMCG - Others	125.1	128.4	147.6	160.2	191.5	210.0	231.0	256.4
Hotels	16.7	18.4	6.6	13.5	26.9	31.0	35.7	41.0
Agri business	94.0	102.4	128.8	164.7	184.4	161.2	166.1	179.4
Paper and packaging	58.6	61.1	56.2	76.4	90.8	83.4	86.8	92.9
<b>Sales growth (YoY)</b>								
Cigarettes	(9.5)	2.4	6.4	16.0	19.5	7.7	7.0	6.0
FMCG - Others	10.4	2.7	14.9	8.6	19.5	9.7	10.0	11.0
Hotels	17.5	10.3	(63.9)	103.0	99.5	15.4	15.0	15.0
Agri business	16.5	9.0	25.8	27.8	12.0	(12.6)	3.0	8.0
Paper and packaging	11.6	4.2	(8.0)	36.0	18.8	(8.1)	4.0	7.0
<b>Volume growth (YoY)</b>								
Cigarettes	5.5	-0.8	-11.5	15.5	18.1	3.0	3.0	4.0
<b>EBIT (INR b)</b>								
Cigarettes	145.5	148.5	135.0	157.7	188.8	200.7	214.8	228.4
FMCG - Others	3.9	4.2	8.4	9.3	13.9	17.9	20.8	24.4
Hotels	1.8	1.6	-5.6	-1.9	5.6	7.6	8.9	10.3
Agri business	7.8	7.9	9.2	10.9	13.8	12.8	13.3	14.3
Paper and packaging	12.4	13.1	11.0	17.0	22.9	13.7	14.8	17.2
<b>EBIT growth (YoY)</b>								
Cigarettes	9.1	2.1	(9.1)	16.8	19.7	6.3	7.0	6.3
FMCG - Others	135.3	9.5	98.1	11.6	48.3	29.1	16.2	17.2
Hotels	27.1	(11.2)	(457.4)	(67.2)	(400.9)	37.3	16.6	15.0
Agri business	(8.5)	1.6	16.4	18.3	27.1	(7.4)	3.9	8.0
Paper and packaging	18.9	5.3	(15.8)	54.7	34.9	(40.2)	7.5	16.4
<b>EBIT margin (%)</b>								
Cigarettes	70.3	70.1	59.8	60.3	60.4	59.6	59.6	59.8
FMCG - Others	3.1	3.3	5.7	5.8	7.2	8.5	9.0	9.5
Hotels	10.7	8.6	(84.9)	(13.7)	20.7	24.6	25.0	25.0
Agri business	8.3	7.7	7.1	6.6	7.5	7.9	8.0	8.0
Paper and packaging	21.1	21.4	19.6	22.2	25.3	16.4	17.0	18.5
<b>EBIT margin change (%)</b>								
Cigarettes	10.9	9.8	(0.2)	1.3	60.4	59.6	(0.2)	(0.5)
FMCG - Others	(5.9)	(5.7)	(3.3)	(3.2)	7.2	8.5	3.3	3.7
Hotels	(12.0)	(11.9)	(111.9)	(41.7)	20.7	24.6	109.9	38.7
Agri business	2.3	(1.3)	(3.9)	0.2	7.5	7.9	0.9	1.4
Paper and packaging	(1.6)	5.4	4.6	7.5	25.3	16.4	(2.6)	(3.7)

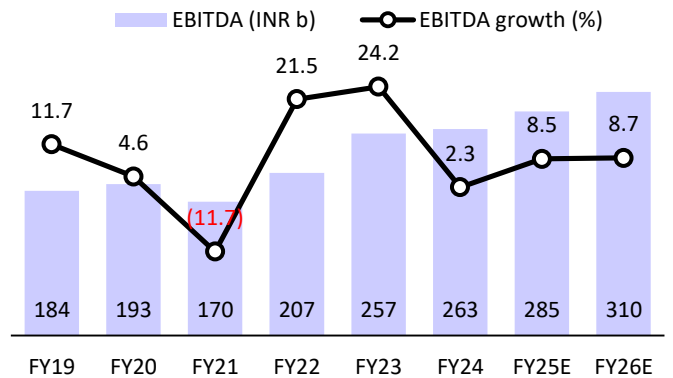
Source: Company, MOFSL

## STORY IN CHARTS

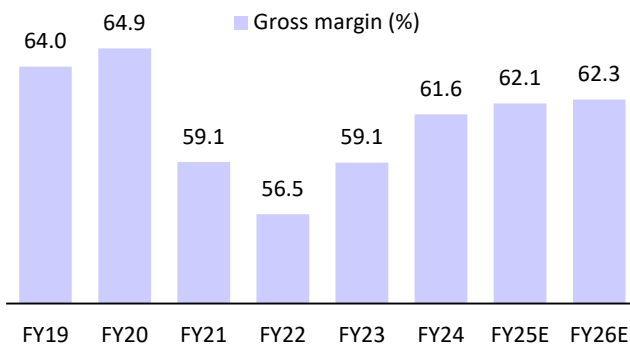
**Exhibit 2: Consol. revenue to record ~8% CAGR over FY24-FY26E...**



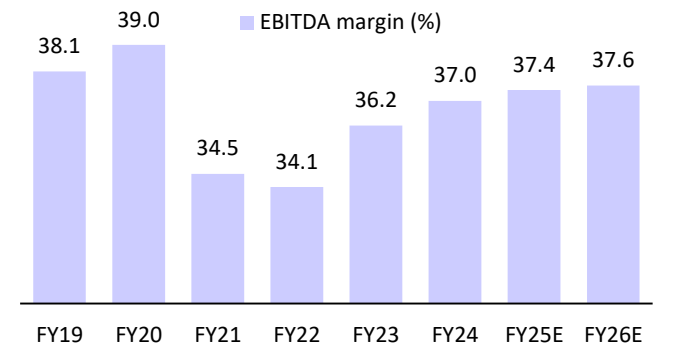
**Exhibit 3: ...supported by high single-digit EBITDA growth**



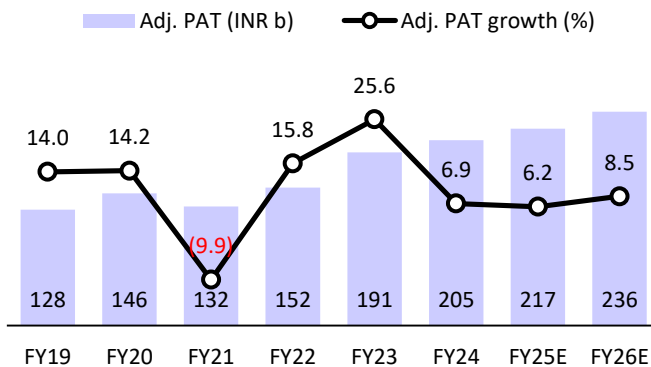
**Exhibit 4: GP margin to remain stable**



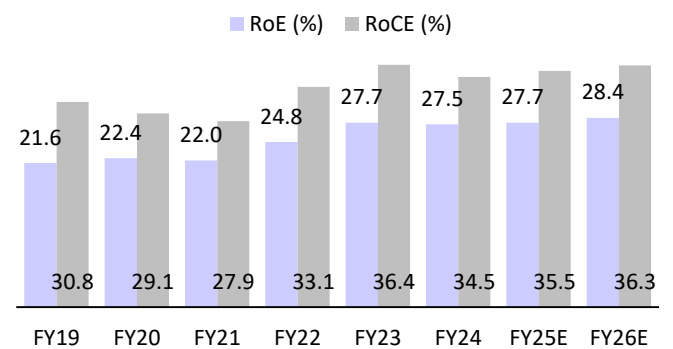
**Exhibit 5: EBITDA margin to remain healthy**



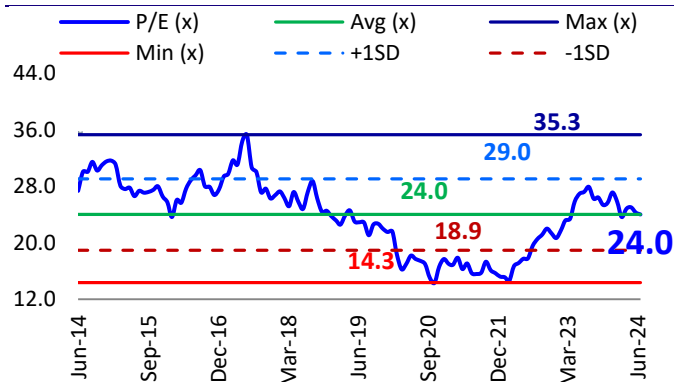
**Exhibit 6: Consol. PAT to report high single-digit growth over FY24-26E.**



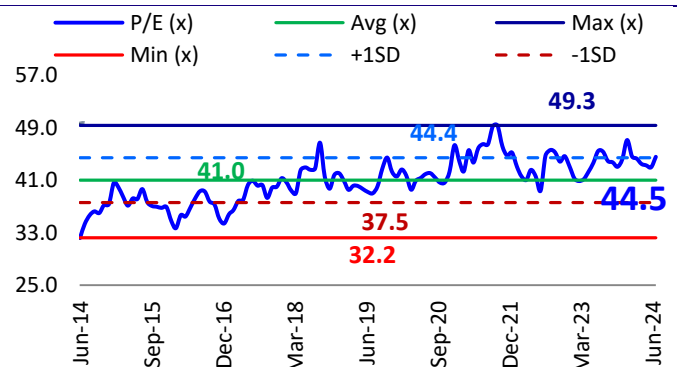
**Exhibit 7: ITC ROE and ROCE improving**



**Exhibit 8: ITC P/E ratio**



**Exhibit 9: Consumer P/E ratio**



Source: MOFSL, Company

Source: MOFSL, Company

## Financials and valuations

							(INR b)	
Income Statement	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>Y/E March</b>								
<b>Net Sales</b>	<b>498.6</b>	<b>513.9</b>	<b>531.6</b>	<b>652.0</b>	<b>765.2</b>	<b>768.4</b>	<b>825.3</b>	<b>893.4</b>
Operational Income	15.1	19.9	38.8	45.4	55.8	59.6	64.0	69.2
<b>Total Revenue</b>	<b>483.5</b>	<b>494.0</b>	<b>492.7</b>	<b>606.7</b>	<b>709.4</b>	<b>708.8</b>	<b>761.3</b>	<b>824.1</b>
Change (%)	11.3	2.2	-0.3	23.1	16.9	-0.1	7.4	8.2
<b>Gross Profit</b>	<b>309.3</b>	<b>320.6</b>	<b>291.4</b>	<b>342.8</b>	<b>419.3</b>	<b>436.3</b>	<b>472.8</b>	<b>513.4</b>
Margin (%)	64.0	64.9	59.1	56.5	59.1	61.6	62.1	62.3
Other operating expenditure	125.3	128.0	121.4	136.2	162.7	173.8	187.9	203.8
<b>EBITDA</b>	<b>184.1</b>	<b>192.6</b>	<b>170.0</b>	<b>206.6</b>	<b>256.6</b>	<b>262.5</b>	<b>284.9</b>	<b>309.6</b>
Change (%)	11.7	4.6	-11.7	21.5	24.2	2.3	8.5	8.7
Margin (%)	38.1	39.0	34.5	34.1	36.2	37.0	37.4	37.6
Depreciation	14.0	16.4	16.5	17.3	18.1	18.2	19.2	20.2
Int. and Fin. Charges	0.5	0.5	0.4	0.4	0.4	0.5	0.5	0.6
Other Inc. - Recurring	21.7	26.0	26.3	18.4	19.8	27.3	29.5	31.2
<b>Profit before Taxes</b>	<b>191.4</b>	<b>201.6</b>	<b>179.5</b>	<b>207.2</b>	<b>257.9</b>	<b>271.2</b>	<b>294.6</b>	<b>320.1</b>
Change (%)	12.7	5.3	-11.0	15.5	24.5	5.1	8.6	8.6
Margin (%)	39.6	40.8	36.4	34.2	36.4	38.3	38.7	38.8
Tax	61.9	48.5	44.6	53.1	64.5	61.7	74.2	80.6
Deferred Tax	1.2	-4.0	0.9	-0.7	-0.1	2.2	0.0	0.0
Tax Rate (%)	33.0	22.0	25.4	25.3	25.0	23.6	25.2	25.2
<b>Profit after Taxes</b>	<b>124.6</b>	<b>152.7</b>	<b>130.3</b>	<b>150.6</b>	<b>186.8</b>	<b>204.6</b>	<b>217.4</b>	<b>236.0</b>
Change (%)	15.3	22.5	-14.6	15.5	24.1	9.5	6.3	8.5
Margin (%)	25.8	30.9	26.4	24.8	26.3	28.9	28.6	28.6
<b>Reported PAT</b>	<b>127.9</b>	<b>146.0</b>	<b>131.6</b>	<b>152.4</b>	<b>191.4</b>	<b>204.6</b>	<b>217.4</b>	<b>236.0</b>

							(INR b)	
Balance Sheet	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>Y/E March</b>								
Share Capital	12.3	12.3	12.3	12.3	12.4	12.5	12.5	12.5
Reserves	579.2	640.4	585.6	602.4	679.1	732.6	772.1	817.6
<b>Net Worth</b>	<b>591.4</b>	<b>652.7</b>	<b>597.9</b>	<b>614.8</b>	<b>691.6</b>	<b>745.1</b>	<b>784.6</b>	<b>830.1</b>
Loans	0.1	0.1	0.1	0.1	0.4	0.1	0.5	0.5
Deferred Liability	19.9	15.7	16.8	16.1	15.8	20.7	20.7	20.7
<b>Capital Employed</b>	<b>611.4</b>	<b>668.5</b>	<b>614.8</b>	<b>630.9</b>	<b>707.7</b>	<b>765.9</b>	<b>805.7</b>	<b>851.3</b>
Gross Block	324.4	364.2	396.5	423.4	457.6	476.6	503.3	530.0
Less: Accum. Depn.	130.6	147.0	163.5	180.8	198.9	217.1	236.2	256.5
<b>Net Fixed Assets</b>	<b>193.8</b>	<b>217.2</b>	<b>233.1</b>	<b>242.6</b>	<b>258.7</b>	<b>278.3</b>	<b>267.1</b>	<b>273.6</b>
Capital WIP	41.3	32.5	40.0	32.0	29.8	28.5	22.8	18.2
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Investments</b>	<b>250.4</b>	<b>286.6</b>	<b>248.7</b>	<b>248.4</b>	<b>294.2</b>	<b>311.1</b>	<b>326.1</b>	<b>341.1</b>
Current	133.5	179.5	148.5	122.6	172.3	129.4	144.4	159.4
Non-current	117.0	107.2	100.2	125.8	121.8	181.7	181.7	181.7
<b>Curr. Assets, L&amp;A</b>	<b>231.8</b>	<b>236.8</b>	<b>210.2</b>	<b>239.2</b>	<b>275.6</b>	<b>299.6</b>	<b>361.7</b>	<b>408.8</b>
Inventory	79.4	89.7	104.0	108.6	117.7	141.5	119.8	129.2
Account Receivables	40.4	25.6	25.0	24.6	29.6	40.3	31.7	34.3
Cash and Bank Balance	41.5	72.8	41.0	36.8	48.8	72.2	128.2	158.5
Others	70.5	48.7	40.2	69.2	79.5	45.6	81.9	86.8
<b>Curr. Liab. and Prov.</b>	<b>102.5</b>	<b>100.8</b>	<b>113.8</b>	<b>127.6</b>	<b>146.8</b>	<b>147.8</b>	<b>164.8</b>	<b>179.3</b>
Account Payables	35.1	36.3	43.2	44.2	46.6	48.0	50.7	54.9
Other Liabilities	62.7	59.9	65.3	75.7	98.6	98.2	102.4	111.1
<b>Net Current Assets</b>	<b>129.3</b>	<b>136.0</b>	<b>96.4</b>	<b>111.6</b>	<b>128.8</b>	<b>151.8</b>	<b>196.9</b>	<b>229.4</b>
<b>Application of Funds</b>	<b>614.9</b>	<b>672.3</b>	<b>618.2</b>	<b>634.6</b>	<b>711.5</b>	<b>769.7</b>	<b>812.9</b>	<b>862.4</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>10.2</b>	<b>12.4</b>	<b>10.6</b>	<b>12.2</b>	<b>15.0</b>	<b>16.4</b>	<b>17.4</b>	<b>18.9</b>
Cash EPS	11.3	13.8	11.9	13.6	16.5	17.8	19.0	20.5
BV/Share	48.2	53.1	48.6	49.9	55.6	59.7	62.8	66.5
DPS	5.8	10.2	10.8	11.5	15.5	13.8	14.8	15.8
Payout %	66	85	101	93	101	84	80	80
<b>Valuation (x)</b>								
P/E	41.8	34.2	40.1	34.8	28.3	25.9	24.4	22.5
Cash P/E	37.6	30.9	35.6	31.2	25.8	23.8	22.4	20.7
EV/Sales	9.9	9.4	9.3	7.6	6.4	6.3	5.8	5.3
EV/EBITDA	26.7	25.2	28.9	23.8	19.0	18.4	16.7	15.2
P/BV	8.8	8.0	8.7	8.5	7.6	7.1	6.8	6.4
Dividend Yield (%)	1.4	2.4	2.5	2.7	3.6	3.2	3.5	3.7
<b>Return Ratios (%)</b>								
RoE	22.3	24.5	20.8	24.8	28.6	28.5	28.4	29.2
RoCE	22.2	24.6	20.9	24.9	29.0	28.2	28.1	29.0
RoIC	44.0	49.5	40.8	47.2	55.2	54.2	58.2	65.4
<b>Working Capital Ratios</b>								
Debtor (Days)	25	24	19	15	14	18	17	15
Asset Turnover (x)	0.8	0.8	0.9	1.0	1.1	1.0	1.0	1.0

### Cash Flow Statement

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>(INR b)</b>								
OP/(loss) before Tax	191.5	200.3	179.5	207.2	259.2	271.4	294.6	320.1
Financial other income	-4.2	-8.0	-0.1	0.2	-3.0	-6.6	0.3	0.3
Depreciation and Amort.	14.0	16.4	16.5	17.3	18.1	18.2	19.2	20.2
Interest Paid	-12.7	-14.7	-15.3	-6.9	-15.3	-16.6	-8.4	-9.1
Direct Taxes Paid	-58.0	-50.2	-44.6	-53.1	-62.5	-61.2	-74.2	-80.6
Incr in WC	-4.8	3.0	6.1	-18.5	-7.7	-33.4	10.9	-2.3
<b>CF from Operations</b>	<b>125.8</b>	<b>146.9</b>	<b>142.0</b>	<b>146.3</b>	<b>188.8</b>	<b>171.8</b>	<b>242.4</b>	<b>248.7</b>
Other items	-27.4	44.7	14.6	3.5	24.0	42.0	27.1	9.1
Incr Decr in FA	31.4	24.1	39.9	18.8	26.9	34.6	21.0	22.1
<b>Free Cash Flow</b>	<b>94.4</b>	<b>122.8</b>	<b>102.2</b>	<b>127.5</b>	<b>161.8</b>	<b>137.2</b>	<b>221.5</b>	<b>226.5</b>
Pur of Investments	-14.2	54.4	-37.9	-0.3	43.7	-29.6	15.0	15.0
<b>CF from Invest.</b>	<b>-44.6</b>	<b>-33.8</b>	<b>12.7</b>	<b>-15.0</b>	<b>-46.7</b>	<b>37.1</b>	<b>-8.9</b>	<b>-28.1</b>
Issue of shares	9.7	6.3	0.0	0.0	24.8	14.4	0.0	0.0
Incr in Debt	-0.1	0.0	0.0	0.0	-0.6	-0.6	0.3	0.0
Net Interest Paid	1.0	0.4	0.0	0.0	0.4	0.5	0.0	0.0
Dividend Paid	77.3	87.1	186.5	135.6	154.0	199.0	177.9	190.4
Others	0.0	-0.5	0.0	0.0	0.1	0.1	0.0	0.0
<b>CF from Fin. Activity</b>	<b>-68.7</b>	<b>-81.8</b>	<b>-186.4</b>	<b>-135.6</b>	<b>-130.1</b>	<b>-185.5</b>	<b>-177.6</b>	<b>-190.3</b>
<b>Incr of Cash</b>	<b>12.5</b>	<b>31.3</b>	<b>-31.7</b>	<b>-4.3</b>	<b>12.0</b>	<b>23.4</b>	<b>56.0</b>	<b>30.3</b>
Add: Opening Balance	29.0	41.5	72.8	41.0	36.8	48.8	72.2	128.2
<b>Closing Balance</b>	<b>41.5</b>	<b>72.8</b>	<b>41.0</b>	<b>36.8</b>	<b>48.8</b>	<b>72.2</b>	<b>128.2</b>	<b>158.5</b>

E: MOFSL Estimates

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

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

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

**Disclosures**

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://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](http://www.nseindia.com), [www.bseindia.com](http://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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

**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/NCDX); 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.