

# Kajaria Ceramics

Estimate change

TP change

Rating change



Bloomberg	KJC IN
Equity Shares (m)	159
M.Cap.(INRb)/(USD\$)	127.4 / 1.5
52-Week Range (INR)	1579 / 745
1, 6, 12 Rel. Per (%)	-7/-35/-40
12M Avg Val (INR M)	333
Free float (%)	52.5

## Financial Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	46.4	49.6	54.4
EBITDA	6.3	6.8	7.8
Adj. PAT	3.4	3.7	4.3
EBITDA Margin (%)	13.5	13.7	14.3
Cons. Adj. EPS (INR)	21.8	23.4	27.4
EPS Gr. (%)	-21.9	7.4	16.8
BV/Sh. (INR)	172	183	198

## Ratios

Net D:E	(0.6)	(0.8)	(0.9)
RoE (%)	12.8	13.0	14.1
RoCE (%)	15.4	15.7	17.2
Payout (%)	41.2	51.2	43.8

## Valuations

P/E (x)	36.6	34.1	29.2
P/BV (x)	4.6	4.4	4.0
EV/EBITDA(x)	19.6	17.8	15.4
EV/Sales (x)	2.6	2.4	2.2

## Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	47.5	47.5	47.5
DII	27.7	27.9	24.9
FII	15.8	16.0	19.2
Others	9.1	8.6	8.4

FII Includes depository receipts

**CMP: INR800**

**TP: INR950 (+19%)**

**Buy**

## Weak earnings; demand outlook cautiously optimistic

### Eyeing demand recovery in real estate and exports in FY26

- Kajaria Ceramics' (KJC) 4QFY25 EBITDA was below our estimate due to lower-than-estimated realization and higher-than-estimated other expenses. EBITDA (including discontinued operation) declined ~28% YoY to INR1.7b (~28% miss) and OPM contracted 3.8pp YoY to ~10% (est. ~13%). PAT (incl. discontinued operations) declined ~39% YoY to INR943m (33% miss).
- Management highlighted that demand was soft in both domestic and exports in 4QFY25. Margin contraction was due to another muted quarter for the Bathware division and a write-off in UK operations (INR70m). It refrained from giving any guidance for FY26 and indicated that it would wait for one more quarter to see a recovery in demand. Further, it is exploring certain measures, including cost optimization, brand strengthening, and reach enhancement, to become more competitive and improve margins.
- We cut our EPS estimates by ~11%/10% for FY26/FY27 to factor in persistently weak domestic demand and increased competition from Morbi players due to weak exports (down ~20% YoY in FY25). This also led to margin pressure. We value KJC at 35x FY27E EPS to arrive at our revised TP of INR950 (earlier INR1,020). Maintain BUY.

### Volume up 2% YoY; tiles realization declined ~2% YoY

- Consol. revenue/EBITDA/PAT (excluding discontinued operation) stood at INR12.2b/INR1.4b/INR733m (+1%/-20%/-30% YoY). Tile volume inched up ~2% YoY to 30.1msm, while realization declined ~2% YoY to INR361/sqm. Sanitaryware/adhesives revenue increased ~8%/51% YoY.
- Gross margin remained flat YoY at ~37%. Employee costs increased 14% YoY (11.7% of revenue vs. 10.4% in 4QFY24). Other expenses rose 15% YoY (13.6% of revenue vs. 12.0% in 4QFY24). OPM contracted 3.0pp YoY to ~11%.
- In FY25 (excluding discontinued operation), revenue grew ~4% YoY, while EBITDA/PAT declined ~11%/22% YoY. OPM contracted 2.3pp YoY to ~14%. Tile sales volume grew ~6% YoY, while realization declined ~4%. OCF dipped ~16% YoY to INR5.0b. Capex stood at INR2.2b vs. INR3.0b in FY24.

### Highlights from the management commentary

- Plywood business was set up in 2017, and with the implementation of GST, it was anticipated that there would be a shift from unorganized to organized players. However, this did not work and KJC decided to close this business.
- Nepal plant with 5.1msm capacity was commissioned in Sep'24. It operated at ~50% utilization in 4QFY25.
- The company is exiting its loss-making ventures, including UK retail business, though it will continue to export. However, it remains confident about its investment in the UAE, which it views as a strategic, long-term opportunity.

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

**Research analyst - Mudit Agarwal** (Mudit.Agarwal@MotilalOswal.com) | **Abhishek Sheth** (Abhishek.Sheth@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.

### View and valuation

- KJC's reported performance was below our estimates, affected by muted domestic demand and weak exports, which led to higher competitive intensity and margin pressure. However, new project launches in the real estate sector should drive demand revival. Management is hopeful for a pick-up in export demand, supported by lower freight costs (currently at lowest). It is undertaking several cost-saving measures and strengthening its distribution network to gain market share.
- We estimate KJC to post a CAGR of 8%/11%/12% in revenue/EBITDA/PAT over FY25-27. We estimate an ~8% CAGR in tile volume over FY25-27. We factor in lower margins of 13.7%/14.3% for FY26/27E (vs. last 10-year average of ~16%) considering that higher competitive intensity could put pressure on realization. Valuation at 34x/29x FY26/27E EPS appears reasonable; and we believe demand recovery would be the key trigger for stock price performance. We **maintain our BUY rating** with a revised TP of INR950 (earlier INR1,020), based on 35x FY27E EPS.

### Quarterly performance (comparison on like-to-like basis and vs. actual)

	4QFY24	3QFY23	4QFY25	4QFY25E	Var (%)	YoY (%)	QoQ (%)
Net Sales	12,408	11,639	12,269	12,774	(4.0)	(1.1)	5.4
Total Expenditure	10,705	10,165	11,048	11,078	(0.3)	3.2	8.7
EBITDA	1,703	1,475	1,221	1,696	(28.0)	(28.3)	(17.2)
Margins (%)	13.7	12.7	10.0	13.3	(333bp)	(378bp)	(272bp)
PBT after EO Expense	1,403	1,107	851	1,320	(35.5)	(39.4)	(23.1)
PAT (after MI)	1,024	785	627	943	(33.5)	(38.7)	(20.1)

### Consolidated quarterly performance (excluding discontinued operations)

(INR m)

	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Net sales</b>	<b>10,642</b>	<b>11,216</b>	<b>11,518</b>	<b>12,082</b>	<b>11,137</b>	<b>11,793</b>	<b>11,556</b>	<b>12,219</b>	<b>44,740</b>	<b>46,351</b>
YoY change (%)	5.6	4.1	5.6	0.3	4.6	5.1	0.3	1.1	2.1	3.6
Total expenditure	8,950	9,419	9,730	10,352	9,466	10,204	10,023	10,835	37,672	40,089
<b>EBITDA</b>	<b>1,692</b>	<b>1,797</b>	<b>1,788</b>	<b>1,730</b>	<b>1,671</b>	<b>1,589</b>	<b>1,533</b>	<b>1,384</b>	<b>7,068</b>	<b>6,262</b>
Margin (%)	15.9	16.0	15.5	14.3	15.0	13.5	13.3	11.3	15.8	13.5
Depreciation	305	361	389	421	421	406	397	434	1,476	1,654
Interest	53	43	50	53	47	47	74	60	173	200
Other income	93	83	113	174	102	99	103	125	462	427
<b>PBT before EO expense</b>	<b>1,427</b>	<b>1,477</b>	<b>1,462</b>	<b>1,430</b>	<b>1,304</b>	<b>1,235</b>	<b>1,166</b>	<b>1,014</b>	<b>5,882</b>	<b>4,835</b>
Extra-ord expenses	0	0	0	27	0	0	59	308	0	-483
<b>PBT after EO Expense</b>	<b>1,427</b>	<b>1,477</b>	<b>1,462</b>	<b>1,403</b>	<b>1,304</b>	<b>1,235</b>	<b>1,107</b>	<b>706</b>	<b>5,882</b>	<b>5,318</b>
Tax	336	366	379	354	327	341	300	311	1,435	1,360
Rate (%)	23.5	24.8	25.9	24.7	25.0	27.6	25.7	30.7	24.4	28.1
<b>Reported PAT</b>	<b>1,075</b>	<b>1,080</b>	<b>1,042</b>	<b>1,024</b>	<b>898</b>	<b>843</b>	<b>777</b>	<b>425</b>	<b>4,221</b>	<b>2,944</b>
Minority interest	16	31	41	25	48	42	22	-63	113	49
<b>Adj. PAT</b>	<b>1,075</b>	<b>1,080</b>	<b>1,042</b>	<b>1,051</b>	<b>898</b>	<b>843</b>	<b>836</b>	<b>733</b>	<b>4,335</b>	<b>3,426</b>
YoY change (%)	16.5	60.8	40.2	0.3	-16.4	-21.9	-19.7	-30.3	28.0	-21.0
Margin (%)	10.1	9.6	9.0	8.7	8.1	7.1	7.2	6.0	9.7	7.4

Note: Sum of four quarters and full year number does not match due to restatement of full year numbers, giving effect of exclusion of discontinued operations

## Quarterly summary

	FY24				FY25E				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Sales Volumes-mn sqm:</b>										
Own Manufacturing	13.8	14.8	15.3	16.1	14.9	15.6	15.4	15.8	(2)	2
JVs	4.8	4.8	5.3	6.1	5.5	5.4	5.9	6.5	6	10
Trading	6.4	6.9	6.5	7.4	6.6	7.6	7.6	7.9	6	3
<b>Total sales volumes</b>	<b>25.0</b>	<b>26.5</b>	<b>27.1</b>	<b>29.6</b>	<b>27.0</b>	<b>28.7</b>	<b>28.9</b>	<b>30.1</b>	<b>2</b>	<b>4</b>
<b>Revenue Mix (INR m)</b>										
Own Manufacturing	5,393	5,705	5,791	6,062	5,585	5,873	5,688	5,855	(3)	3
JVs	1,340	1,825	1,995	2,255	1,999	1,945	2,067	2,273	1	10
Trading	2,833	2,469	2,343	2,599	2,312	2,717	2,651	2,755	6	4
Sanitaryware / faucets	837	853	922	1,023	910	901	945	1,105	8	17
Plywood	143	235	340	327	179	175	81	47	(86)	(42)
Adhesives	96	130	128	143	152	182	205	230	61	12
<b>Total</b>	<b>10,642</b>	<b>11,216</b>	<b>11,518</b>	<b>12,408</b>	<b>11,137</b>	<b>11,793</b>	<b>11,637</b>	<b>12,266</b>	<b>(1)</b>	<b>5</b>
<b>Realization/sqm (INR)</b>										
Own Manufacturing	391	386	380	377	375	376	368	371	(2)	1
JVs	279	379	375	369	362	358	352	352	(5)	(0)
Trading	442	360	360	352	352	356	349	351	(0)	0
<b>Blended Realization</b>	<b>382</b>	<b>378</b>	<b>374</b>	<b>369</b>	<b>367</b>	<b>367</b>	<b>360</b>	<b>361</b>	<b>(2)</b>	<b>0</b>
Growth (% YoY)	-2.7%	-4.4%	-4.1%	-5.6%	-4.1%	-2.8%	-3.7%	-2.1%		
Growth (% QoQ)	-2.2%	-1.2%	-1.0%	-1.3%	-0.7%	0.1%	-1.9%	0.4%		



## Highlights from the management commentary

### Demand trend and sector outlook

- The overall market conditions remained subdued due to several factors, including weak demand from the real estate sector. Additionally, competitive pressures from Morbi-based players also contributed to the challenging environment. However, KJC believes that demand from the real estate sector would be much better in FY26.
- Export volumes and revenues were subdued during the quarter due to shipping constraints and weaker global demand. It indicated that the global slowdown has impacted several export markets. However, management remains confident that exports will improve as global market conditions ease. Freight rates are the lowest currently, and KJC believes tile exports should reach INR200b in FY26.
- The domestic tile industry grew by ~2-3% YoY in volume in FY25 compared to KJC's growth of ~6%.
- KJC's revenue mix: ~15-18% from Tier 1 cities, ~30% each from Tier-2 and Tier-3, and ~22-25% from Tier-4 and other areas, with competitive pressures felt uniformly across all tiers.
- For FY26, demand is anticipated to grow, particularly in Tier 2 and Tier 3 cities, where real estate activity remains strong. To outperform the industry, KJC plans to enhance its distribution network, aiming to have 500 dealers exclusively selling its products.
- In 1QFY26, the company plans to have a minimal price increase for specific tile products. Export demand is expected to recover in FY26 due to lower freight rates and easing global conditions.

### Other operational highlights

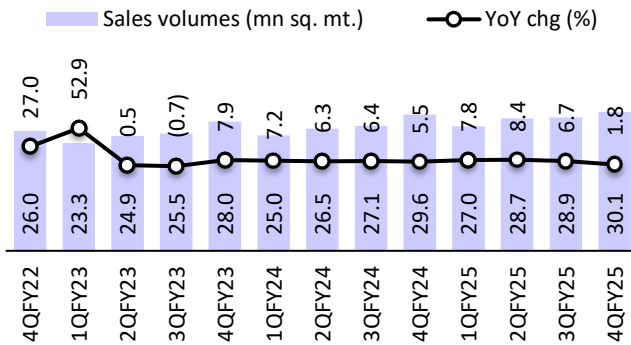
- Gas prices stood at INR 38/scm across all plants, reaching parity with propane prices. As gas has already become cheaper than propane at the company's southern plant at Srikalahasti, it now plans to transition from propane to gas at its northern facilities as well.
- It is exiting its loss-making ventures, including its UK retail operations, and focusing on export there. However, it remains confident about its investment in the UAE, which it views as a strategic, long-term opportunity.
- It discontinued the operations of its wholly-owned subsidiary, Kajaria Plywood (KPPL), due to a lack of strategic fit and continued losses. Consequently, the company has fully impaired its investment and loan to KPPL, amounting to INR1.12b.
- Bathware revenue rose ~8% YoY to INR1.1b. Adhesives revenue grew by 61% YoY to INR230m.

### Expansions and debt position

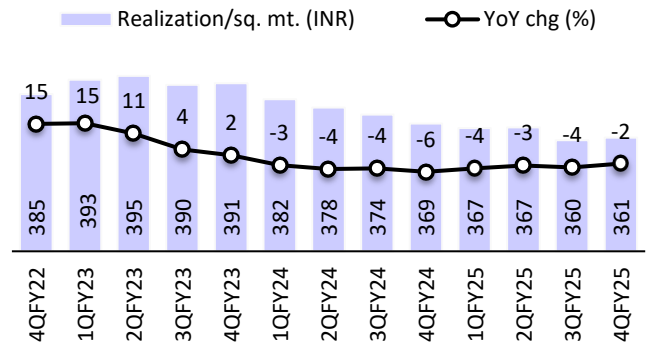
- Capex for FY25 was INR2.0-2.2b. Future capex will be attributed to regular maintenance capex (INR1.0b), a corporate office (INR750m), adhesive business (INR250m) and Nepal plant (INR150-200m).

## Story in charts

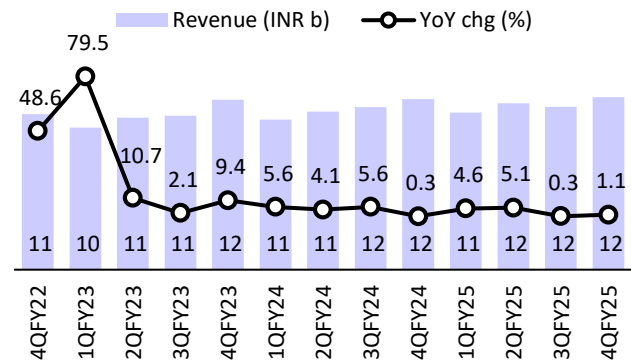
**Exhibit 1: Sales volume grew 2% YoY**



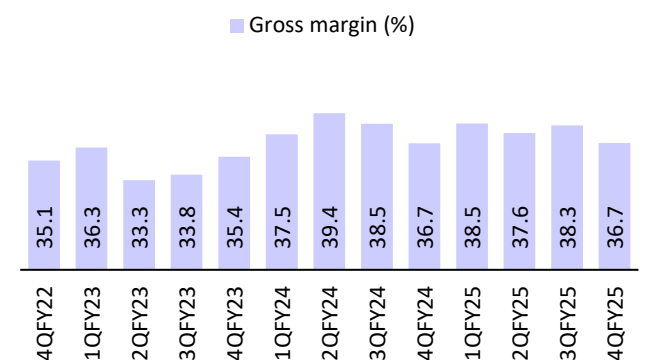
**Exhibit 2: Blended realization declined 2% YoY**



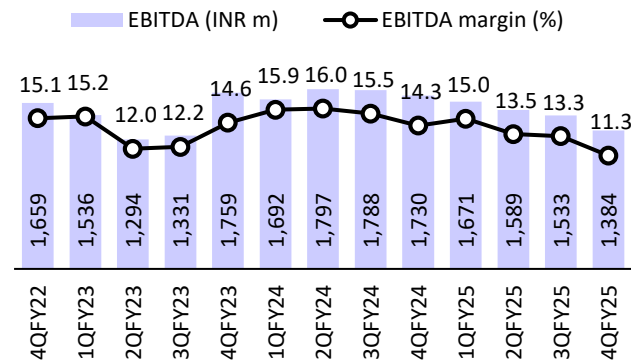
**Exhibit 3: Revenue inched up 1% YoY**



**Exhibit 4: Gross margin was flat YoY**

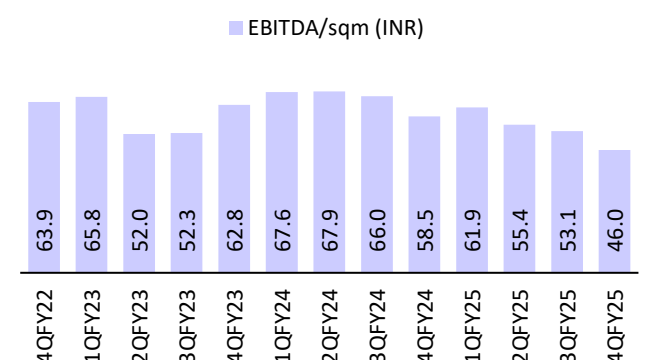


**Exhibit 5: EBITDA declined 20% YoY, margin down 3pp YoY**



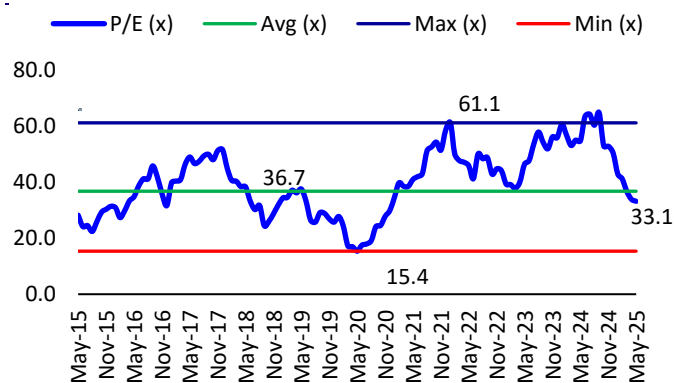
Sources: Company reports, MOFSL

**Exhibit 6: EBITDA/sqm down 21% YoY**



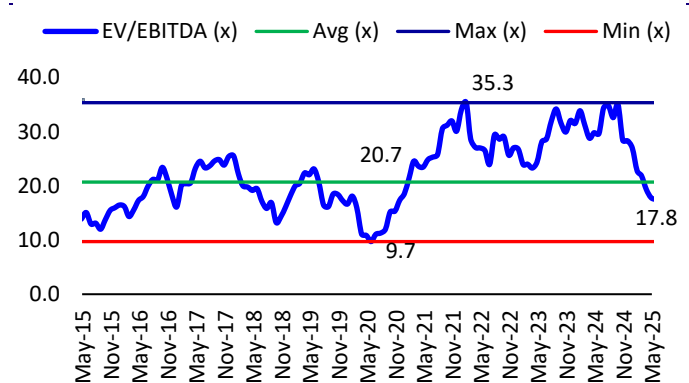
Sources: Company reports, MOFSL

**Exhibit 7: One-year forward P/E (x) trend**



Sources: Company reports, MOFSL

**Exhibit 8: One-year forward EV/EBITDA (x) trend**



Sources: Company reports, MOFSL

## Financials and valuations

### Consolidated Income Statement

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Net Sales</b>	<b>28,080</b>	<b>27,809</b>	<b>37,052</b>	<b>43,819</b>	<b>44,740</b>	<b>46,351</b>	<b>49,601</b>	<b>54,403</b>
Change (%)	-5.0	-1.0	33.2	18.3	2.1	3.6	7.0	9.7
<b>EBITDA</b>	<b>4,159</b>	<b>5,088</b>	<b>6,107</b>	<b>5,920</b>	<b>7,068</b>	<b>6,262</b>	<b>6,801</b>	<b>7,767</b>
Margin (%)	14.8	18.3	16.5	13.5	15.8	13.5	13.7	14.3
Depreciation	1,081	1,067	1,154	1,329	1,476	1,654	1,835	1,980
<b>EBIT</b>	<b>3,078</b>	<b>4,022</b>	<b>4,953</b>	<b>4,592</b>	<b>5,593</b>	<b>4,608</b>	<b>4,966</b>	<b>5,787</b>
Int. and Finance Charges	195	107	127	223	173	200	239	225
Other Income - Rec.	242	213	276	336	462	427	464	502
<b>PBT bef. EO Exp.</b>	<b>2,883</b>	<b>3,914</b>	<b>4,826</b>	<b>4,368</b>	<b>5,420</b>	<b>4,408</b>	<b>4,727</b>	<b>5,562</b>
EO Expense/(Income)	0	0	0	79	0	0	0	0
<b>PBT after EO Exp.</b>	<b>3,125</b>	<b>4,127</b>	<b>5,102</b>	<b>4,625</b>	<b>5,882</b>	<b>4,835</b>	<b>5,191</b>	<b>6,063</b>
Current Tax	937	1,083	1,210	1,174	1,349	1,278	1,460	1,705
Deferred Tax	-348	-446	65	-11	86	81	0	0
Tax Rate (%)	18.9	15.4	25.0	25.1	24.4	28.1	28.1	28.1
<b>Reported PAT</b>	<b>2,535</b>	<b>3,490</b>	<b>3,827</b>	<b>3,463</b>	<b>4,447</b>	<b>3,475</b>	<b>3,731</b>	<b>4,358</b>
<b>PAT Adj for EO items</b>	<b>2,535</b>	<b>3,490</b>	<b>3,827</b>	<b>3,404</b>	<b>4,447</b>	<b>3,475</b>	<b>3,731</b>	<b>4,358</b>
Change (%)	13.2	37.7	9.7	-11.1	30.7	-21.9	7.4	16.8
Margin (%)	9.0	12.6	10.3	7.8	9.9	7.5	7.5	8.0
Less: Minority Interest	-18.4	8.5	57.6	17.8	112.5	49.0	52.9	57.2
<b>Net Profit</b>	<b>2,554</b>	<b>3,482</b>	<b>3,770</b>	<b>3,386</b>	<b>4,335</b>	<b>3,426</b>	<b>3,679</b>	<b>4,301</b>

### Consolidated Balance Sheet

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	159	159	159	159	159	159	159	159
Total Reserves	16,984	18,530	21,065	23,109	26,006	27,284	29,052	31,443
<b>Net Worth</b>	<b>17,143</b>	<b>18,689</b>	<b>21,224</b>	<b>23,268</b>	<b>26,165</b>	<b>27,443</b>	<b>29,212</b>	<b>31,602</b>
Deferred Liabilities	716	674	726	738	801	884	884	884
Minority Interest	637	646	648	776	591	658	710	768
Total Loans	1,281	987	1,279	2,093	1,706	1,759	1,659	1,559
<b>Capital Employed</b>	<b>19,777</b>	<b>20,996</b>	<b>23,877</b>	<b>26,875</b>	<b>29,263</b>	<b>30,744</b>	<b>32,465</b>	<b>34,813</b>
Gross Block	19,009	20,052	20,777	25,076	28,463	30,914	33,489	35,989
Less: Accum. Deprn.	7,061	8,128	9,282	10,610	12,086	13,740	15,575	17,555
<b>Net Fixed Assets</b>	<b>11,948</b>	<b>11,924</b>	<b>11,496</b>	<b>14,466</b>	<b>16,377</b>	<b>17,174</b>	<b>17,914</b>	<b>18,434</b>
Capital WIP	266	149	2,634	817	679	1,087	1,000	1,000
<b>Total Investments</b>	<b>101</b>	<b>50</b>	<b>0</b>	<b>19</b>	<b>185</b>	<b>339</b>	<b>339</b>	<b>339</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>12,056</b>	<b>13,120</b>	<b>15,728</b>	<b>17,976</b>	<b>18,151</b>	<b>18,954</b>	<b>20,811</b>	<b>23,266</b>
Inventory	5,127	3,731	4,659	5,647	5,322	6,181	5,915	6,411
Account Receivables	3,967	4,317	5,133	6,012	6,194	5,702	6,572	7,124
Cash and Bank Balance	2,252	4,428	4,244	3,938	5,141	5,829	7,009	8,306
Loans and Advances	710	645	1,693	2,380	1,494	1,242	1,314	1,425
<b>Curr. Liability &amp; Prov.</b>	<b>4,594</b>	<b>4,248</b>	<b>5,981</b>	<b>6,403</b>	<b>6,129</b>	<b>6,810</b>	<b>7,598</b>	<b>8,225</b>
Account Payables	4,306	4,019	5,722	6,111	5,809	6,462	7,229	7,836
Provisions	288	229	259	293	320	349	369	389
<b>Net Current Assets</b>	<b>7,462</b>	<b>8,873</b>	<b>9,747</b>	<b>11,573</b>	<b>12,022</b>	<b>12,144</b>	<b>13,213</b>	<b>15,041</b>
<b>Appl. of Funds</b>	<b>19,777</b>	<b>20,996</b>	<b>23,877</b>	<b>26,875</b>	<b>29,263</b>	<b>30,744</b>	<b>32,465</b>	<b>34,813</b>

E: MOFSL estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>								
<b>Consol EPS</b>	<b>15.9</b>	<b>21.9</b>	<b>24.0</b>	<b>21.4</b>	<b>27.9</b>	<b>21.8</b>	<b>23.4</b>	<b>27.4</b>
Cash EPS	22.7	28.6	31.3	29.7	37.2	32.2	34.9	39.8
BV/Share	107.8	117.5	133.3	146.2	164.3	172.3	183.4	198.4
DPS	3.0	10.0	11.0	9.0	12.0	9.0	12.0	12.0
Payout (%)	22.7	45.6	45.8	41.4	43.0	41.2	51.2	43.8
<b>Valuation (x)</b>								
P/E	50.0	36.4	33.2	37.3	28.6	36.6	34.1	29.2
Cash P/E	35.1	27.8	25.5	26.8	21.5	24.8	22.8	20.0
P/BV	7.4	6.8	6.0	5.5	4.9	4.6	4.4	4.0
EV/Sales	4.5	4.4	3.3	2.9	2.8	2.6	2.4	2.2
EV/EBITDA	30.2	24.3	20.3	21.1	17.5	19.6	17.8	15.4
Dividend Yield (%)	0.4	1.3	1.4	1.1	1.5	1.1	1.5	1.5
<b>Return Ratios (%)</b>								
RoIC	14.5	23.6	27.4	21.6	23.8	18.8	19.7	22.3
RoE	15.5	19.4	18.9	15.2	17.5	12.8	13.0	14.1
RoCE	16.0	19.7	22.1	18.1	19.9	15.4	15.7	17.2
<b>Working Capital Ratios</b>								
Asset Turnover (x)	1.5	1.4	1.7	1.7	1.6	1.5	1.6	1.6
Working Capital (Days)	66	58	62	69	57	51	47	47
<b>Leverage Ratio (x)</b>								
Net Debt/Equity	(0.2)	(0.7)	(0.5)	(0.3)	(0.5)	(0.6)	(0.8)	(0.9)

### Consolidated Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	3,125	4,127	5,102	4,625	5,756	4,843	5,191	6,063
Depreciation	1,081	1,067	1,154	1,329	1,476	1,654	1,835	1,980
Interest & Finance Charges	195	107	127	223	173	200	239	225
Direct Taxes Paid	(1,005)	(980)	(1,285)	(1,265)	(1,385)	(1,172)	(1,460)	(1,705)
(Inc)/Dec in WC	(993)	868	(621)	(1,851)	260	(12)	112	(532)
<b>CF from Operations</b>	<b>2,403</b>	<b>5,189</b>	<b>4,476</b>	<b>3,061</b>	<b>6,280</b>	<b>5,513</b>	<b>5,918</b>	<b>6,032</b>
Others	(159)	(101)	(221)	(106)	(307)	(503)	-	-
<b>CF from Operating incl EO</b>	<b>2,244</b>	<b>5,088</b>	<b>4,255</b>	<b>2,955</b>	<b>5,974</b>	<b>5,010</b>	<b>5,918</b>	<b>6,032</b>
(Inc)/Dec in FA	(1,240)	(1,127)	(2,687)	(2,317)	(3,004)	(2,205)	(2,488)	(2,500)
<b>Free Cash Flow</b>	<b>1,004</b>	<b>3,961</b>	<b>1,568</b>	<b>639</b>	<b>2,970</b>	<b>2,805</b>	<b>3,431</b>	<b>3,532</b>
(Pur)/Sale of Investments	(88)	(41)	(51)	(363)	(628)	(557)	-	-
Others	427	(1,788)	(241)	842	655	(958)	-	-
<b>CF from Investments</b>	<b>(901)</b>	<b>(2,955)</b>	<b>(2,979)</b>	<b>(1,837)</b>	<b>(2,976)</b>	<b>(3,721)</b>	<b>(2,488)</b>	<b>(2,500)</b>
Issue of Shares	3	53	52	12	11	14	-	-
Inc/(Dec) in Debt	(104)	(439)	112	239	(575)	(150)	(100)	(100)
Interest Paid	(153)	(68)	(92)	(166)	(205)	(198)	(239)	(225)
Dividend Paid	(1,150)	(1,591)	(1,273)	(1,433)	(1,394)	(1,752)	(1,910)	(1,910)
Others	-	-	-	-	-	-	-	-
<b>CF from Fin. Activity</b>	<b>(1,404)</b>	<b>(2,045)</b>	<b>(1,201)</b>	<b>(1,348)</b>	<b>(2,163)</b>	<b>(2,086)</b>	<b>(2,250)</b>	<b>(2,236)</b>
<b>Inc/Dec of Cash</b>	<b>(60)</b>	<b>87</b>	<b>75</b>	<b>(230)</b>	<b>835</b>	<b>(796)</b>	<b>1,181</b>	<b>1,297</b>
Opening Balance	221	161	248	335	105	942	146	1,327
<b>Closing Balance</b>	<b>161</b>	<b>248</b>	<b>323</b>	<b>105</b>	<b>941</b>	<b>146</b>	<b>1,327</b>	<b>2,624</b>
Bank balance	2,091	4,179	3,921	3,832	4,201	5,683	5,683	5,683
<b>Total cash balance</b>	<b>2,252</b>	<b>4,428</b>	<b>4,244</b>	<b>3,938</b>	<b>5,141</b>	<b>5,829</b>	<b>7,009</b>	<b>8,306</b>

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](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://online.reports.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, nor 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.