

The Ramco Cements

BSE SENSEX 80,797
S&P CNX 24,461



Stock Info

Bloomberg	TRCL IN
Equity Shares (m)	236
M.Cap.(INRb)/(USDb)	223.7 / 2.7
52-Week Range (INR)	1060 / 700
1, 6, 12 Rel. Per (%)	-6/7/14
12M Avg Val (INR M)	708

Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	87.0	97.1	107.2
EBITDA	13.6	18.2	21.2
Adj. PAT	1.9	5.0	7.0
EBITDA Margin (%)	15.6	18.7	19.8
Adj. EPS (INR)	7.9	21.3	29.5
EPS Gr. (%)	-52.8	169.2	38.6
BV/Sh. (INR)	321	338	363

Ratios

Net D:E	0.6	0.5	0.4
RoE (%)	2.5	6.5	8.4
RoCE (%)	5.0	6.5	7.9
Payout (%)	13.9	18.8	0.0

Valuations

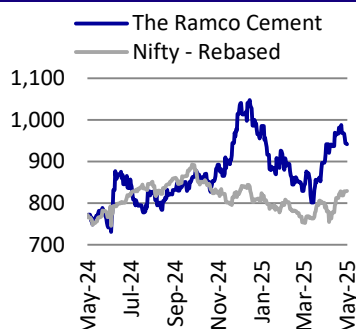
P/E (x)	120.0	44.6	32.2
P/BV (x)	3.0	2.8	2.6
EV/EBITDA(x)	18.8	14.1	12.1
EV/ton (USD)	126	119	102
Div. Yield (%)	0.3	0.4	0.0
FCF Yield (%)	1.3	4.6	3.8

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	42.6	42.8	42.3
DII	33.5	34.3	35.6
FII	7.3	6.9	7.4
Others	16.6	16.1	14.7

FII Includes depository receipts

Stock performance (one-year)



CMP: INR947

TP: INR1,030 (+9%)

Neutral

Price hikes in the South and debt reduction aid recovery

- The Ramco Cements (TRCL) is expected to benefit from the sharp price hikes in the southern region along with a higher pace of consolidation in the region. The average cement price in the South has increased MoM by INR33/bag (~10%) in Apr'25. TRCL has a higher exposure in the southern region, with 78-79% of its total volume being sold in the southern markets.
- The Tamil Nadu (TN) government has imposed an INR160/t mining tax on limestone mining. TRCL is estimated to be the most impacted given its higher clinker capacity in TN (~52% of its total capacity). However, the recent price hikes, improvement in the clinker-to-cement (C:C) ratio, and cost reduction measures are likely to more than offset the additional mineral tax burden.
- Further, management is committed to net debt reduction by monetizing non-core assets worth INR10.0b. The company has monetized assets worth INR4.6b by end-FY25. It also prioritized repayment of high-cost borrowings and is following a disciplined capex approach. This strategic decision will lead to a steady reduction in net debt (net debt is likely to decline to INR37.6b by FY27E from INR46.2b as of Dec'24) and improve the leverage ratio (the net debt-to-EBITDA ratio is likely to be 1.8x vs. 3.5x as of Dec'24 TTM).
- Given the recent price hikes in the company's core markets (South and East) and cost savings initiatives, we raise our EBITDA estimates by ~4%/2% for FY26/FY27. Further, we upgrade our EPS estimates by ~19%/20% for FY26/FY27, aided by lower interest outgo. Over FY25-26, TRCL's revenue/EBITDA/PAT CAGR is estimated at ~11%/25%/93%. **Key risks to our estimate:** 1) reversal of recent price hikes, and 2) lower-than-estimated demand growth.
- The stock is currently trading at 14x/12x FY26E/FY27E EV/EBITDA (vs. its long-term average of 15x) and USD119/USD102 EV/t (vs. long-term average of USD130). We value the stock at 13x (earlier 12x) FY27E EV/EBITDA to arrive at our revised TP of INR1,030 (vs. INR900). **Reiterate Neutral.**

Post-FY25 slump, cement prices in South India rebound strongly

- According to our channel checks, the average cement price in the southern region rose sharply by INR33/bag in Apr'25, marking a robust ~10% MoM rise. This is notably higher than the INR17/bag (~5%) MoM increase in the eastern region and a modest INR3-5/bag MoM (~1%) increase in the northern, central, and western regions. This sharp uptick in the southern region follows a period of underperformance in FY25, during which the average price dipped ~9% YoY.
- TRCL, given its higher exposure in the southern region (sold ~78-79% of its total volume across southern markets), is estimated to benefit the most from increased pricing in the region. Further, increased consolidation in the region and positive commentary by industry players (focusing on balancing out volume growth and profitability at their South India plants) are key positive triggers. This provides a case for upward revision in earnings estimates for the company.

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.

MotilalOswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- In the South, we estimate cement capacity additions of 10mtpa/13mtpa in FY26/FY27 by the industry. Of these, ~6.0mtpa (3.0mtpa in FY26/FY27 each) will be added by TRCL. The company is expanding its clinker/grinding capacities at Kurnool, Andhra Pradesh (brownfield expansion), by 3.2mtpa/ 3.8mtpa, to be completed in FY26-27. Apart from that, TRCL is adding a grinding capacity of 2.0mtpa through debottlenecking of existing facilities in the South at a minimal capex. We estimate improving demand/supply equilibrium in the region (incremental demand CAGR at ~8% to surpass the incremental supply of ~6% over FY25-27E) to help sustain the price hikes over the medium-to-longer term.

Limestone tax raises cost pressure, but efficiency steps to offer partial relief

- The TN government has imposed an INR160/t mining tax on limestone mining effective from 4th Apr'25. For TRCL, the tax is estimated to increase its production costs for limestone by INR80/t due to its significant clinker capacity concentration in the state (accounting for ~52% of its total clinker capacity).
- The company's C:C ratio declined to 1.27x during FY22-24, compared to its long-term average of above 1.33x during FY12-21. The company's C:C ratio has improved to 1.4x in 9MFY25, showcasing better operational efficiency. Despite this, there is still room for further reduction in raw material costs by optimizing the use of beneficiation and flotation plants, which helps in enhancing limestone recovery. Moreover, the company can reduce raw material costs by optimizing clinker sourcing strategies for its eastern grinding units.
- Further, TRCL's initiatives towards increasing its 1) green power share to ~40% (from ~37% in 9MFY25) and 2) alternative fuel share to +7% (vs. ~2% in 9MFY25 and ~6% in FY24) are estimated to help in an overall reduction in opex/t. We estimate the company's EBITDA/t to improve to INR900/INR970 in FY26/FY27 from INR720 in FY25E (average at INR820/t over FY23-24).

Debt reduction to support lower leverage going forward

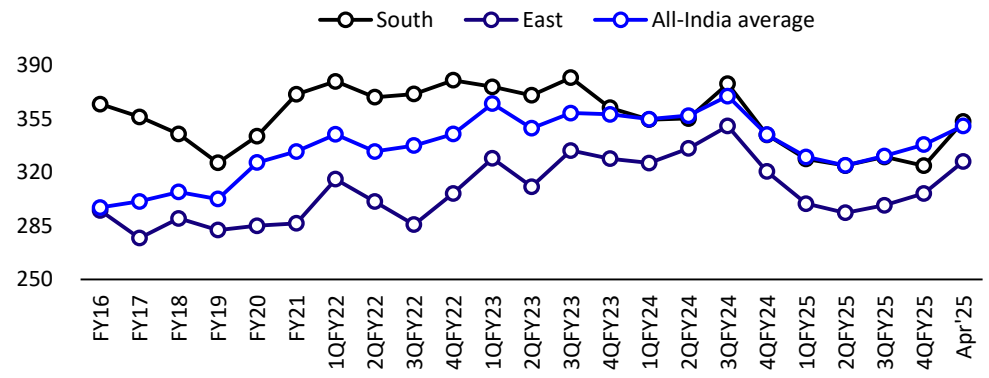
- Following investors' concerns over the continuous rise in net debt, the company has taken effective steps to reduce leverage. It has committed to monetizing non-core assets worth INR10.0b over the 12 months starting Jul'24, as part of its broader strategy to strengthen the balance sheet. The company has monetized assets worth INR4.6b as of end-FY25, and the balance will be monetized in the next few months. We estimate its net debt to decline to INR37.6b by FY27 from INR46.2b as of Dec'24. The net debt-to-EBITDA ratio is likely to decline to 1.8x in FY27 from 3.5x as of Dec'24 (TTM).
- It also prioritized repayment of high-cost borrowing (issuing debentures having a lower coupon rate as compared to term loans from banks) to reduce finance costs. We estimate a 7% YoY reduction in finance costs to INR4.2b in FY26 and a further reduction of ~5% YoY to INR4.0b in FY27.
- Further, it has adopted a disciplined approach to capital expenditure, reducing its capex guidance to INR12.0b p.a. for FY25-26, down from an average of INR18.6b p.a. during FY20-24.

Earnings upgrade due to positive near-term outlook

- Given the recent price hikes in the company's core markets (South and East) and cost savings initiatives, we raise our EBITDA estimates by ~4%/2% for FY26/FY27. Further, we raise our EPS estimates by ~19%/20% for FY26/FY27, aided by lower interest outgo. Over FY25-26, TRCL's revenue/EBITDA/PAT CAGR is estimated at ~11%/25%/93%.
- We estimate the company's cumulative OCF at INR49.1b over FY25-27 vs. INR47.7b over FY22-24. We estimate a cumulative capex of INR27.2b (net of fixed assets sold) over FY25-27 vs. a cumulative capex of INR56.7b over FY22-24. As a result, the company's cumulative FCF stood at INR21.9b over FY25-27E as compared to a cumulative cash outflow of INR9.0b over FY22-24.
- We believe that recent price hikes and ongoing balance sheet deleveraging are key near-term catalysts that could support the stocks' performance. However, we remain watchful on the longer-term turnaround story, where sustained profitability, disciplined capital allocation, and meaningful market share gains will be critical structural drivers for a more durable re-rating.
- The stock is currently trading at 14x/12x FY26E/FY27E EV/EBITDA (vs. its long-term average of 15x) and USD119/USD102 EV/t (vs. long-term average of USD130). We value the stock at 13x (earlier 12x) FY27E EV/EBITDA to arrive at our revised TP of INR1,030 (vs. INR900). **Reiterate Neutral.**

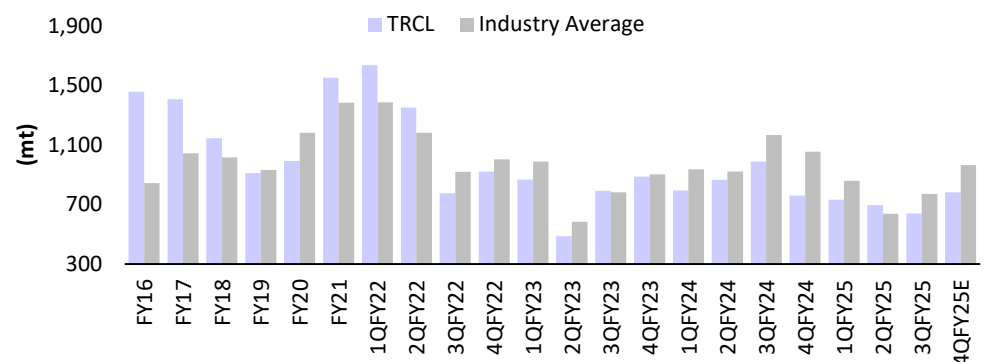
Story in charts

Exhibit 1: Southern cement prices historically at a premium, but in the last few quarters prices corrected to the industry average or below



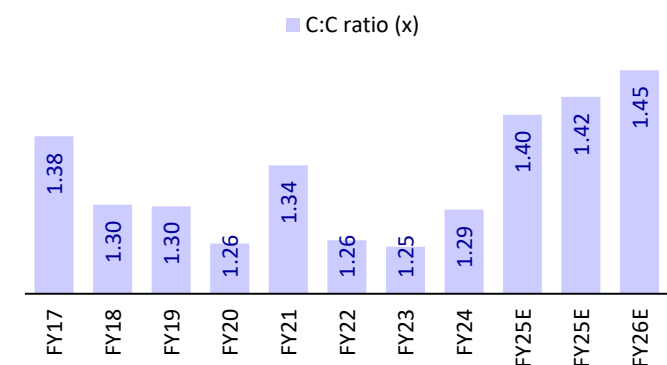
Source: MOFSL, Company

Exhibit 2: Premium South pricing drove TRCL's EBITDA/t outperformance, while profitability contracted post-correction



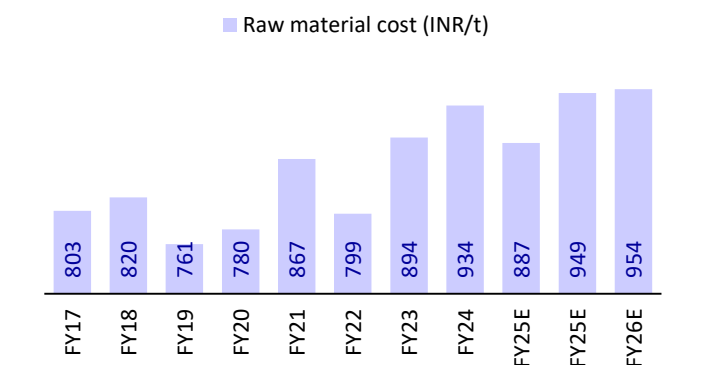
Source: MOFSL, Company

Exhibit 3: TRCL's C:C ratio is estimated to increase further...



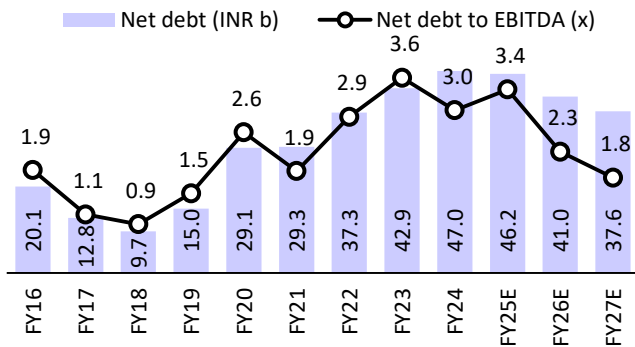
Source: MOFSL, Company;

Exhibit 4: ...that will reduce the net cost increase due to the additional tax on limestone mining



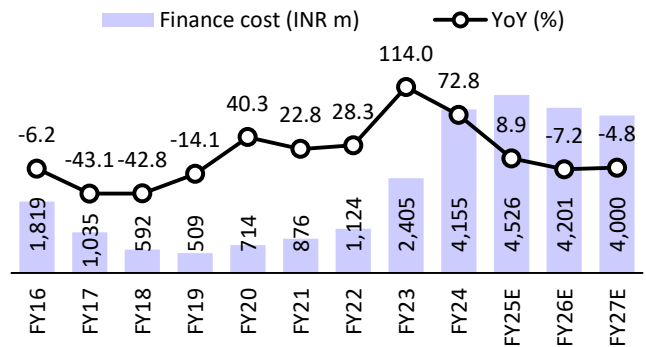
Source: MOFSL, Company;

Exhibit 5: Deleveraging balance sheet through non-core asset monetization



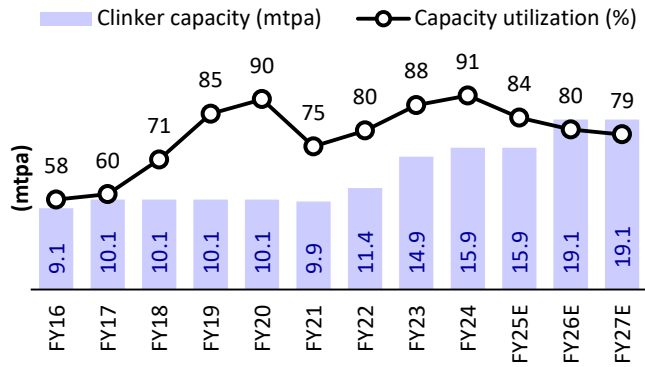
Source: MOFSL, Company

Exhibit 6: Interest expenses to decline with deleveraging and cost-efficient repayments



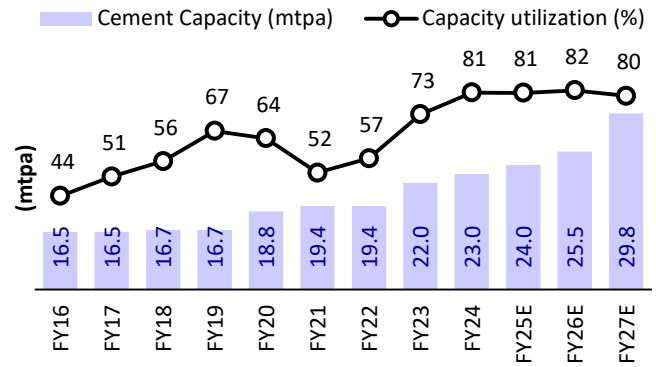
Source: MOFSL, Company

Exhibit 7: Optimization of clinker capacity utilization...



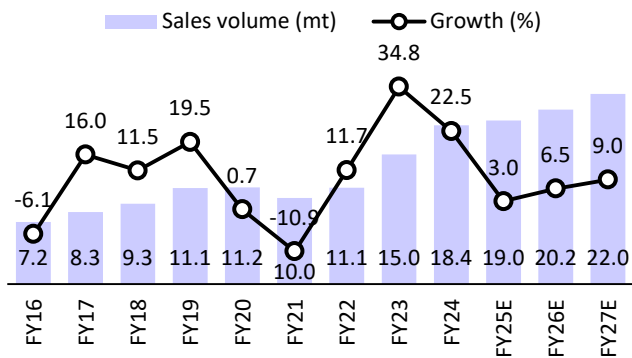
Source: MOFSL, Company

Exhibit 8: ...while cement capacity utilization to remain stable



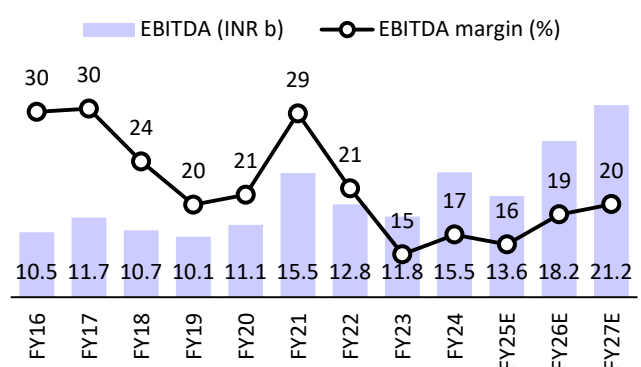
Source: MOFSL, Company

Exhibit 9: Estimate volume CAGR of ~8% over FY25-27



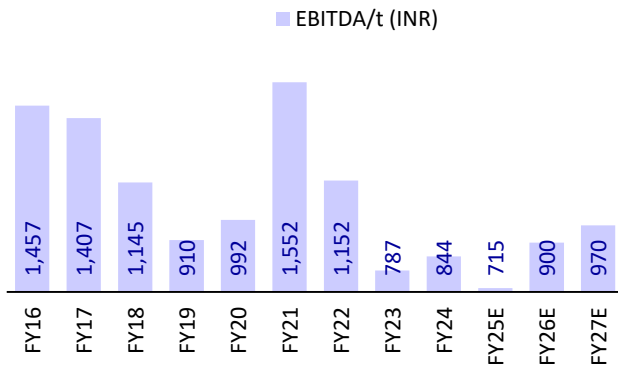
Source: MOFSL, Company

Exhibit 10: Estimate EBITDA CAGR of ~25% over FY25-27



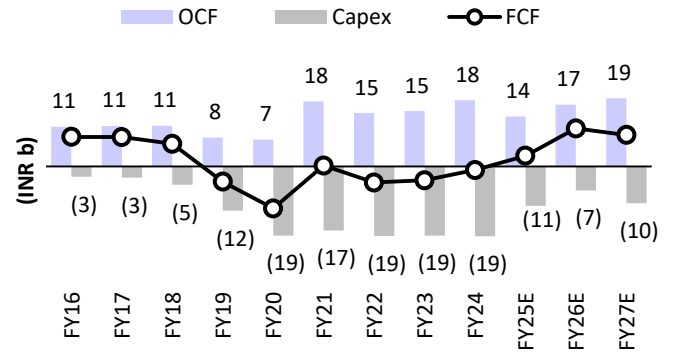
Source: MOFSL, Company

Exhibit 11: TRCL's EBITDA/t trend



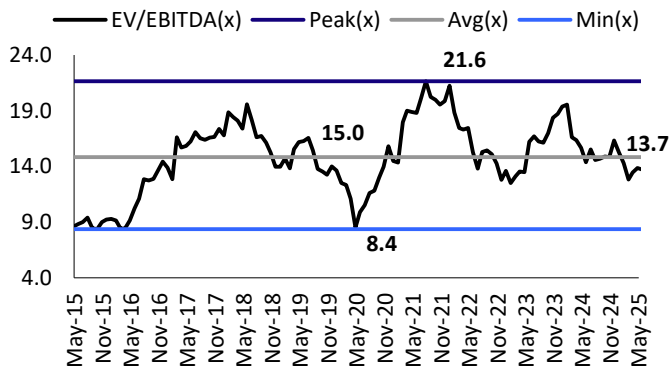
Source: MOFSL, Company

Exhibit 12: Capex intensity reduced over FY25-27E, leading to FCF generation



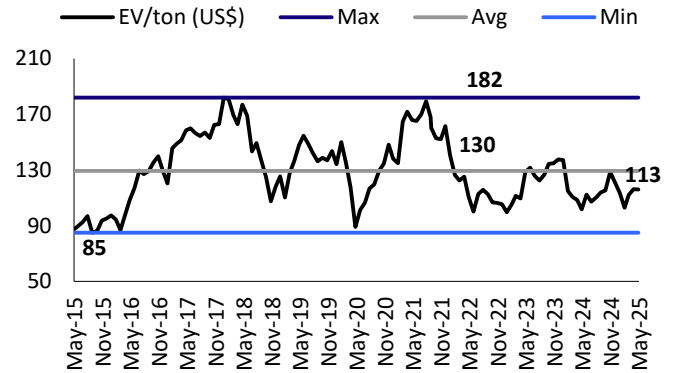
Source: MOFSL, Company; Note: Capex net of fixed assets sold

Exhibit 13: One-year forward EV/EBITDA



Source: MOFSL, Company

Exhibit 14: One-year forward EV/t



Source: MOFSL, Company

Financials and valuations

Income Statement								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	53,435	52,684	59,800	81,353	93,498	87,017	97,113	1,07,174
Change (%)	4.3	-1.4	13.5	36.0	14.9	-6.9	11.6	10.4
EBITDA	11,117	15,480	12,838	11,820	15,525	13,552	18,183	21,221
Margin (%)	20.8	29.4	21.5	14.5	16.6	15.6	18.7	19.8
Depreciation	3,153	3,553	4,008	5,044	6,359	6,889	7,474	8,066
EBIT	7,964	11,927	8,830	6,775	9,167	6,663	10,709	13,155
Int. and Finance Charges	714	876	1,124	2,405	4,155	4,526	4,201	4,000
Other Income - Rec.	622	346	306	367	423	430	420	445
PBT bef. EO Exp.	7,872	11,397	8,012	4,737	5,435	2,567	6,928	9,600
EO Expense/(Income)	0	0	0	0	0	-3,290	0	0
PBT after EO Exp.	7,872	11,397	8,012	4,737	5,435	5,857	6,928	9,600
Current Tax	1,393	2,440	1,768	257	409	770	1,905	2,640
Deferred Tax	469	1,346	-2,682	1,045	1,076	0	0	0
Tax Rate (%)	23.6	33.2	-11.4	27.5	27.3	13.1	27.5	27.5
Reported PAT	6,011	7,611	8,927	3,435	3,950	5,087	5,023	6,960
PAT Adj for EO items	6,011	7,611	5,899	3,435	3,950	1,866	5,023	6,960
Change (%)	18.1	26.6	-22.5	-41.8	15.0	-52.8	169.2	38.6
Margin (%)	11.2	14.4	9.9	4.2	4.2	2.1	5.2	6.5

Balance Sheet								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	236	236	236	236	236	236	236	236
Total Reserves	48,950	56,032	65,012	67,699	71,205	72,293	76,371	82,149
Net Worth	49,186	56,268	65,249	67,935	71,441	72,529	76,607	82,385
Deferred Liabilities	9,172	10,877	8,240	9,285	10,304	10,304	10,304	10,304
Total Loans	30,241	31,017	39,300	44,874	49,168	48,168	43,168	40,168
Capital Employed	88,599	98,162	1,12,789	1,22,095	1,30,914	1,31,002	1,30,079	1,32,858
Gross Block	93,901	1,06,223	1,18,037	1,47,329	1,72,397	1,80,897	1,94,897	2,08,397
Less: Accum. Deprn.	35,757	38,720	42,728	47,772	54,131	61,020	68,494	76,560
Net Fixed Assets	58,144	67,503	75,309	99,557	1,18,266	1,19,877	1,26,403	1,31,837
Capital WIP	18,143	23,255	30,340	19,873	13,784	16,000	8,500	5,000
Total Investments	4,275	4,369	4,220	4,209	4,397	1,347	1,347	1,347
Curr. Assets, Loans&Adv.	19,908	18,331	20,687	21,530	25,235	21,534	25,268	28,139
Inventory	6,453	5,979	8,333	8,823	9,823	9,142	10,203	11,260
Account Receivables	5,269	3,752	3,498	4,650	8,522	7,152	7,982	8,809
Cash and Bank Balance	914	1,419	1,760	1,686	1,352	1,085	1,331	1,722
Loans and Advances	7,273	7,181	7,095	6,371	5,539	4,155	5,753	6,349
Curr. Liability & Prov.	11,871	15,296	17,767	23,074	30,770	27,757	31,438	33,466
Account Payables	11,341	14,655	16,985	22,141	29,635	27,416	30,597	32,299
Provisions	531	641	782	933	1,135	341	840	1,167
Net Current Assets	8,037	3,035	2,920	-1,545	-5,535	-6,222	-6,169	-5,327
Appl. of Funds	88,599	98,162	1,12,789	1,22,095	1,30,914	1,31,002	1,30,079	1,32,858

Source: Company, MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	25.5	32.3	25.0	14.5	16.7	7.9	21.3	29.5
Cash EPS	38.9	47.3	41.9	35.9	43.6	37.1	52.9	63.6
BV/Share	208.8	238.5	276.1	287.5	302.3	306.9	324.2	348.6
DPS	2.5	3.0	3.0	2.0	2.5	3.0	4.0	0.0
Payout (%)	11.8	9.3	7.9	13.8	15.0	13.9	18.8	0.0
Valuation (x)								
P/E	37.1	29.4	38.0	65.2	56.7	120.0	44.6	32.2
Cash P/E	24.4	20.0	22.6	26.4	21.7	25.6	17.9	14.9
P/BV	4.5	4.0	3.4	3.3	3.1	3.1	2.9	2.7
EV/Sales	4.4	4.4	3.9	3.0	2.7	2.9	2.6	2.4
EV/EBITDA	21.1	14.9	18.0	20.9	16.6	18.8	14.1	12.1
EV/Ton (USD)	148	141	141	133	133	126	119	102
Dividend Yield (%)	0.3	0.3	0.3	0.2	0.3	0.3	0.4	0.0
Return Ratios (%)								
RoIC	10.0	11.9	13.5	5.7	6.4	5.2	6.7	7.8
RoE	12.8	14.4	9.7	5.2	5.7	2.6	6.7	8.8
RoCE	9.4	9.8	10.6	4.8	6.0	5.1	6.7	8.1
Working Capital Ratios								
Asset Turnover (x)	0.6	0.5	0.5	0.7	0.7	0.7	0.7	0.8
Inventory (Days)	44.1	41.4	50.9	39.6	38.3	38.3	38.3	38.3
Debtor (Days)	36.0	26.0	21.3	20.9	33.3	30.0	30.0	30.0
Creditor (Days)	77.5	101.5	103.7	99.3	115.7	115.0	115.0	110.0
Leverage Ratio (x)								
Current Ratio	1.7	1.2	1.2	0.9	0.8	0.8	0.8	0.8
Debt/Equity	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.5

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	7,872	11,397	8,012	4,737	5,435	5,857	6,928	9,600
Depreciation	3,153	3,553	4,008	5,044	6,359	6,889	7,474	8,066
Interest & Finance Charges	714	876	1,124	2,405	4,155	4,526	4,201	4,000
Direct Taxes Paid	-1,861	-3,786	915	-1,302	-1,485	-770	-1,905	-2,640
(Inc)/Dec in WC	-2,590	5,507	457	4,390	3,656	421	194	-453
CF from Operations	7,287	17,547	14,516	15,275	18,120	16,924	16,892	18,573
Others	100	143	30	-166	-88	-3,290	0	0
CF from Operating incl EO	7,387	17,690	14,546	15,109	18,032	13,634	16,892	18,573
(Inc)/Dec in FA	-18,791	-17,434	-18,900	-18,826	-18,979	-10,716	-6,500	-10,000
Free Cash Flow	-11,404	256	-4,354	-3,717	-948	2,918	10,392	8,573
(Pur)/Sale of Investments	19	-94	150	11	-189	3,050	0	0
Others	-1,257	1,150	-1,904	935	1,254	0	0	0
CF from Investments	-20,029	-16,378	-20,654	-17,880	-17,914	-7,666	-6,500	-10,000
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	14,054	776	8,282	5,575	4,294	-1,000	-5,000	-3,000
Interest Paid	-714	-876	-1,124	-2,405	-4,155	-4,526	-4,201	-4,000
Dividend Paid	-711	-708	-709	-473	-591	-709	-945	-1,182
Others	0	0	0	0	0	0	0	0
CF from Fin. Activity	12,630	-808	6,450	2,697	-452	-6,235	-10,147	-8,182
Inc/Dec of Cash	-13	504	342	-74	-334	-267	245	391
Opening Balance	927	915	1,419	1,761	1,686	1,352	1,085	1,331
Closing Balance	915	1,419	1,761	1,686	1,352	1,085	1,331	1,722

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. 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.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") (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.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- 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(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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.