

UltraTech Cement

Estimate change



TP change



Rating change



Bloomberg	UTCEM IN
Equity Shares (m)	288
M.Cap.(INRb)/(USDb)	1976.6 / 24.3
52-Week Range (INR)	7576 / 5158
1, 6, 12 Rel. Per (%)	-3/-2/-10
12M Avg Val (INR M)	2956

Financial Snapshot (INR b)

Y/E MARCH	FY23E	FY24E	FY25E
Sales	621	669	730
EBITDA	104	128	145
Adj. PAT	51	61	72
EBITDA Margin (%)	17	19	20
Adj. EPS (INR)	176	213	251
EPS Gr. (%)	(10)	21	18
BV/Sh. (INR)	1,885	2,058	2,267

Ratios

Net D:E	0.1	0.0	(0.1)
RoE (%)	9.7	10.8	11.6
RoCE (%)	9.0	10.1	11.0
Payout (%)	21.6	18.8	16.7

Valuations

P/E (x)	38.9	32.2	27.3
P/BV (x)	3.6	3.3	3.0
EV/EBITDA(x)	19.4	15.5	13.4
EV/ton (USD)	190	187	156
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	0.5	2.2	2.8

Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	60.0	60.0	60.0
DII	17.6	17.5	15.2
FII	14.8	14.7	15.8
Others	7.7	7.9	9.0

FII Includes depository receipts

CMP: INR6,847

TP: INR7,875 (+15%)

Buy

Higher utilization comforting; profits to improve

Dec'22 capacity utilization at 92%; 4Q should be at 95-100%

- UTCEM reported consolidated EBITDA of INR23.4b (estimated INR24.2b) and EBITDA/t of INR903 (estimated INR945). Adjusted PAT stood at INR10.6b (down 10% YoY; 5% below our estimate). Lower-than-estimated realization increase and unexpected increase in variable costs resulted in an earnings disappointment.
- The management expects a strong demand environment and utilization levels at 95-100% in 4Q (92% in Dec'22). We had highlighted in our [sector update](#) that industry clinker utilization levels should be at 89% in 4Q, which ideally should drive up profits improvement for the industry.
- We cut our FY24/FY25 EPS estimate by 5% (each). We reiterate our BUY rating on the stock, given robust expansion plans, structural cost improvement (increasing green energy share and logistics cost optimization) and strong balance-sheet (net-cash positive in FY25E).

Volume in-line with estimate; grey cement realization up 0.6% QoQ

- Consolidated revenue/EBITDA/PAT stood at INR155b/INR23b/INR10.6b (up 20%/down 3%/down 10% YoY and 0%/down 3%/down 5% v/s our estimate), respectively. Sales volume grew 12% both YoY/QoQ to 25.86mt. RMC/white cement revenue grew 50%/6% YoY, respectively.
- Grey cement realization was up 6.5% YoY (and up 0.6% QoQ). Blended realization was up 7% YoY (flat QoQ). Opex/t rose 12% YoY due to 21%/7% increase in variable/freight costs, respectively. Higher opex/t led to 14% YoY drop in EBITDA/t and 3.6pp YoY drop in OPM.
- In 9MFY23, consolidated revenue grew 20% YoY, led by 12%/8% growth in sales volume/realization, respectively. However, cost pressures (Opex/t up 18% YoY) led to 14% YoY decline in EBITDA to INR73b. OPM contracted 6.5pp YoY to 16.4% and EBITDA/t declined 23% YoY to INR986. Adjusted profit was down 19% YoY to INR34b.
- Consolidated net debt reduced to INR77.2b from INR83.6b in Sep'22. Net debt to EBITDA stood at 0.71x v/s 0.49x in 3QFY22.

Highlights from the management commentary

- Cement demand remains robust and 4Q seems to be on a solid footing, led by infrastructure and increased urban activities. Rural demand is also expected to improve gradually over the next few months. Industry seems to be focused on operating leverage and cement prices should witness a stable to rising trend.
- The company consumed the highest priced coal in 3Q and there should be a decline from hereon. Kiln fuel cost should be at USD175-180/t v/s USD200/t in 3Q. UTCEM maintains 45-50days of coal inventory.
- 6.6mtpa grinding capacity has been commissioned in 9MFY23 and the remaining 10mtpa would be commissioned in 4Q (total capacity will increase to 131mtpa). Work on further expansion of 22.6mtpa expansion has started and commissioning of these capacities should start from early-FY25E.

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

Mudit Agarwal - Research analyst (Mudit.Agarwal@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, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Cost reduction should help; reiterate BUY

- UTCEM is expanding domestic grinding capacity to 131mtpa/154mtpa by FY23E/FY25-26E, offering strong growth visibility. We estimate sales volume CAGR of ~9% over FY22-25.
- Structural cost improvement initiatives such as 1) commissioning of WHRS/Solar power plants (Green power usage to increase to 36% by FY25 from 20% currently); and 2) optimization of logistics cost through digitization and reduction in lead distance will help structural cost improvement.
- The stock trades at 15.5x/13.4x FY24E/FY25E EV/EBITDA (v/s its 10-year average one-year forward EV/EBITDA of 15.7x). We reiterate our Buy rating on the stock by valuing it at 15.5x FY25E EV/EBITDA (v/s Sep'24 earlier). Our TP of INR7,875 (v/s INR7,770 earlier) offers a 15% upside potential.

Consolidated quarterly performance

(INR b)

	FY22				FY23				FY22	FY23E	FY23	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net sales	118	120	130	158	152	139	155	176	526	621	155	0
YoY change (%)	54.2	15.7	5.9	9.5	28.2	15.6	19.5	11.4	17.6	18.2	19.1	
Total expenditure	85	93	106	127	121	120	132	145	411	518	131	1
EBITDA	33	27	24	31	31	19	23	31	115	104	24	(3)
Margin (%)	28.0	22.6	18.6	19.5	20.4	13.4	15.0	17.6	21.9	16.7	15.6	
Depreciation	7	7	7	7	7	7	7	7	27	29	7	(0)
Interest	3	2	2	2	2	2	2	2	9	8	2	10
Other income	2	1	1	1	1	1	1	1	5	5	1	1
PBT before EO expense	25	19	16	23	23	11	15	23	84	72	16	(6)
PBT after EO Expense	25	19	16	23	23	11	15	23	84	72	16	(6)
Tax	8	6	-1	-2	7	3	5	6	12	21	5	(7)
Rate (%)	32.7	32.7	-4.7	-8.8	31.0	31.2	30.5	26.7	14.2	29.6	31.0	
Reported PAT	17	13	17	25	16	8	11	17	72	51	11	(5)
Minority interest	0	0	0	-0	0	0	0	-0	0	0	-0	
Adj. PAT	17	13	12	15	16	8	11	17	57	51	11	(5)
YoY change (%)	88.8	6.4	-26.8	-19.8	-6.7	-42.5	-9.7	13.5	1.5	-10.4	-4.6	

Key operating parameters

Income Statement (INR/t)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY22	FY23E	FY23	Var.
											3QE	(%)
Volume (mt)	21.5	21.6	23.1	27.7	25.0	23.1	25.9	29.1	94.0	103.1	25.6	1
Change (YoY %)	47.0	7.9	-3.1	-0.3	16.3	6.7	11.8	5.0	8.8	9.6	10.5	
Realization (including RMC)	5,495	5,553	5,614	5,694	6,056	6,014	6,002	6,046	5,595	6,030	6,051	(1)
Change (YoY %)	4.9	7.2	9.3	9.8	10.2	8.3	6.9	6.2	8.1	7.8	7.8	
RM cost	674	799	891	984	912	873	868	890	847	886	914	(5)
Power and fuel	1,127	1,165	1,393	1,433	1,603	1,861	1,884	1,763	1,291	1,776	1,811	4
Staff cost	272	314	278	227	254	299	268	244	270	265	263	2
Freight and forwarding	1,230	1,235	1,256	1,256	1,314	1,318	1,345	1,373	1,246	1,339	1,336	1
Other expenditure	656	785	750	685	737	855	733	714	716	756	783	(6)
Total expenditure	3,958	4,299	4,568	4,585	4,820	5,206	5,099	4,983	4,370	5,022	5,106	(0)
EBITDA	1,536	1,254	1,046	1,110	1,236	808	903	1,063	1,225	1,008	945	(4)
YoY change (%)	8.3	(6.7)	(19.5)	(16.5)	(19.5)	(35.6)	(13.6)	(4.2)	(8.5)	(17.7)	(9.7)	

Sources: Company reports, MOFSL estimates



Highlights from the management commentary

Demand and pricing outlook

- Cement demand saw double-digit growth, driven by government thrust on infrastructure and pick-up in urban real estate. Rural demand has seen some moderation in North, Central, and East India; however, good monsoon and increased MSP by the government should drive up rural demand. Rural markets contributed 62% of trade volumes in 3QFY23. Capacity utilization in Dec'22 reached ~92% and it has been at 95-100% in 4Q for the last few years and this year is expected to see similar trends.
- Cement prices have not seen significant improvements despite strong demand and higher costs. Cement prices are stable and the industry seems to be concentrating on operating leverage benefits. Prices should witness a stable to rising trend over the next few months.
- The management does not expect any unusual pressure on cement prices due to new capacity additions in the near term (UTCEM will also commission 10mtpa capacities in 1.5months) as the new capacity would take time for ramping up the utilization.

Operational highlights

- White cement volume was flat YoY (up 8% QoQ) at 0.41mt, whereas revenue grew 6%/6.5% YoY/QoQ to INR5.75b. RMC revenue increased 50% YoY and 13% QoQ to INR10b. The company has a total of 202 operational RMC plants in 3QFY23 v/s 151/186 in 3QFY22/2QFY23, respectively.
- Trade sales were at 66% in 3Q; however; blended cement sales were at 68%, indicating that blended cement is getting accepted in the non-trade segment. Blending ratio is at 1.42x and the next target is to reach 1.45x.
- OPC/non-trade sales should remain strong as the country sees growth from the infrastructure segment. Institutional sales have been good and forms 18-20% of the total cement consumption.
- No new petcoke capacities are coming up globally, and hence cost is expected to remain elevated. Higher coal cost should be the new normal in the near future. With the China economy opening up, industrial activities are expected to rise in the country, adversely impacting the global supply of fuel as China has always been a net importer.
- The company consumed the highest priced coal in 3Q and the management expects a decline from hereon. Kiln fuel cost should be at USD175-180/t in 4Q v/s USD200/t in 3Q. UTCEM maintains 45-50days of coal inventory.
- Average fuel cost was at INR2.6/kcal in 3QFY23 v/s INR2.5/Kcal in 2QFY23. Blended fuel price remained stable in USD terms but were adversely impacted by exchange rate fluctuations. Fuel-mix in kiln was 46% imported coal, 43% petcoke, and the remaining was a mix of domestic coal and AFR. Electricity generation cost stood at INR5.9/Kwh.
- Green energy (solar+ WHRS) fulfilled 19.8% of its power requirements (up 4.2pp YoY). WHRS capacity rose to 208MW (41MW WHRS capacity addition in 9MFY23). Also, other renewable power capacity (solar and wind) increased to 325MW (96MW addition in 9MFY23). In 4QFY23, the company will add another 30MW of WHRS, taking the total WHRS capacity to 238MW. The company aims to fulfill 50% of power requirements through green sources by FY30.

- Freight cost has increased largely due to imposition of busy season surcharge since Oct'22. However, initiatives toward lead distance reduction (413kms v/s 428kms in 2QFY23) and improved operating efficiency partly offset the impact of busy season surcharge.

Expansion and Debt position

- The company has commissioned 5.5mtpa Grey Cement capacity in 3QFY23 at various locations under the first phase of expansion announced in Dec'20 (overall commissioned 6.8mtpa in 9MFY23). Its domestic grey cement capacity has increased to 121.35mtpa. Further, the balance 10mtpa capacity is likely to commission in the next 45 days.
- Further, work on the second phase of growth of 22.6mtpa has started (main plant orders have been placed and civil work commenced at most sites). The commissioning of these capacities should start from early-FY25. The company targets to reach a capacity of 200mtpa by FY29/30E and this would be done through a mix of greenfield/brownfield expansions. Any inorganic expansion will be a new opportunity. Capex is expected to be INR60-70b every year till FY25.
- Putty expansion of 0.4mtpa at Nathdwara, Rajasthan, was commissioned in 3QFY23. With this expansion, UTCM's wall care putty capacity increased to 1.3mtpa. UTCM, with expanded capacity in white cement and Putty as well as its investment in RAK Cement, UAE, is strategically well positioned to cater to the white cement and putty demand in the country.
- Net debt declined to INR77.2b as of Dec'22 from INR83.6b in Sept'23. The quarter ended with a net negative working capital of INR1.25b and the company expects this to further improve in 4QFY23.

Other highlights

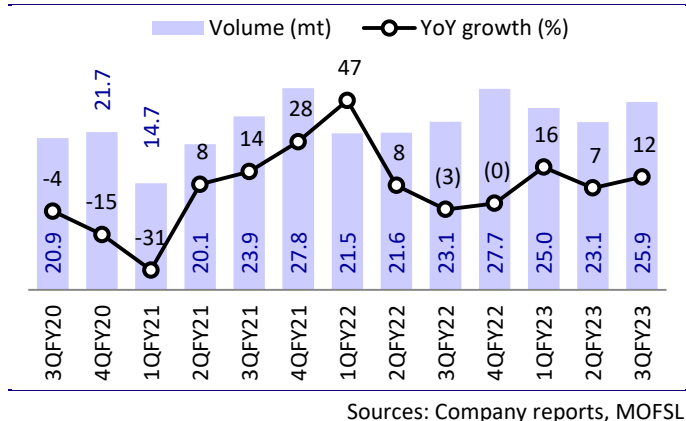
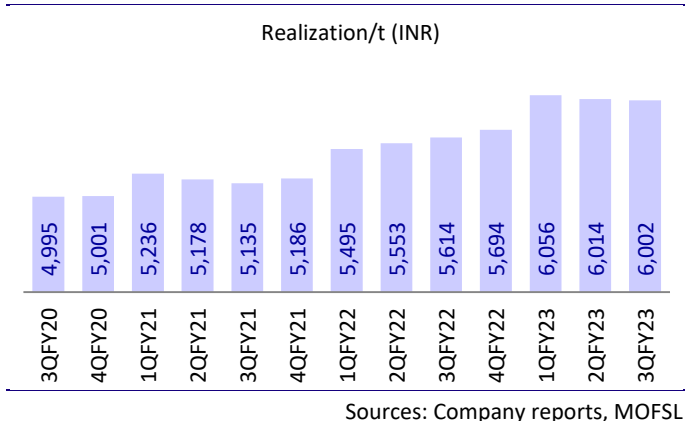
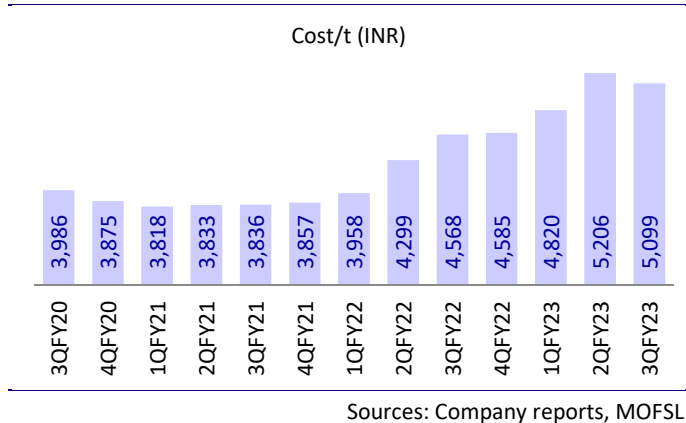
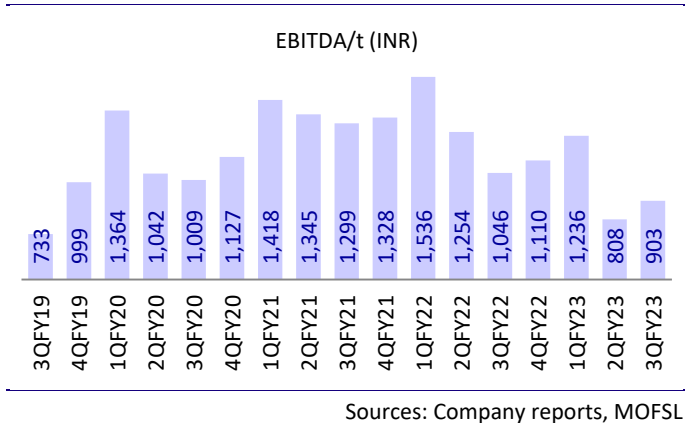
- Fly-ash cost increased due to availability issues and is not expected to decline given increase in fly-ash consumption with higher share of blended cement production.
- In Construction chemical, revenue should be at INR8-10b in FY23. This segment helps in giving complete offering of building materials. Also, consolidation opportunities (though, it will be small) will be considered in this segment.

Exhibit 1: Revisions to our estimates

(INR b)	Revised		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	669	730	657	716	1.8	2.0
EBITDA	128	145	130	146	(1.8)	(0.7)
PAT	61	72	65	76	(5.2)	(4.8)
EPS (INR)	212.8	250.9	224.6	263.6	(5.2)	(4.8)

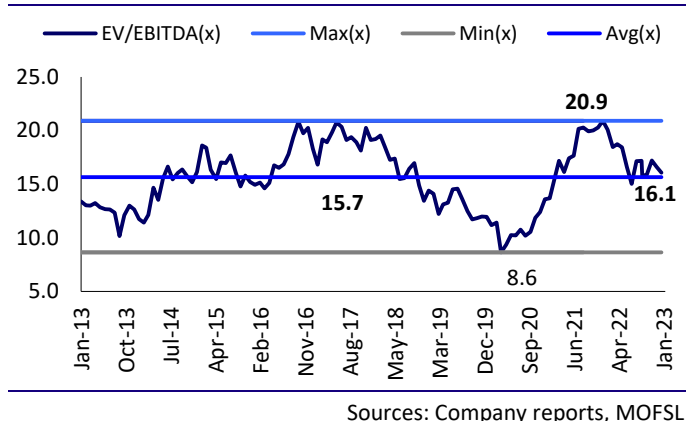
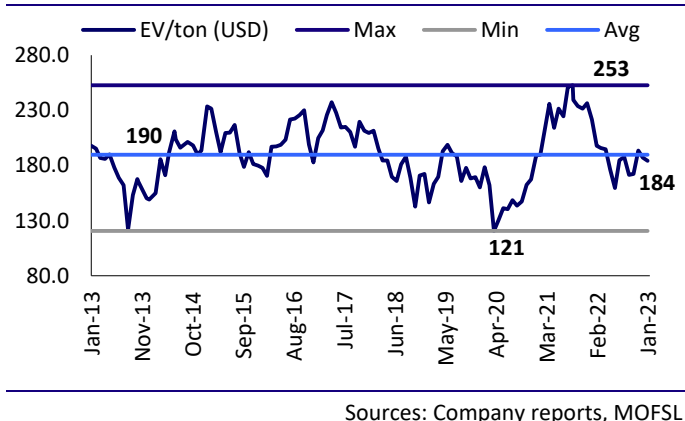
Source: Company, MOFSL estimates

Story in charts

Exhibit 2: Sales volume grew 12% both YoY and QoQ

Exhibit 3: Blended realization grew 7% YoY, but flat QoQ

Exhibit 4: OPEX/t increased 12% YoY, but down 2% QoQ

Exhibit 5: EBITDA/t down 14% YoY, but up 12% QoQ

Exhibit 6: Trend in key operating parameters

INR/t	3QFY23	3QFY22	YoY (%)	2QFY23	QoQ (%)
Realization	6,002	5,614	7%	6,014	0%
RM cost	868	891	-3%	873	-1%
Power and fuel	1,884	1,393	35%	1,861	1%
Staff cost	268	278	-3%	299	-10%
Freight and forwarding	1,345	1,256	7%	1,318	2%
Other expenditure	733	750	-2%	855	-14%
Total expenditure	5,099	4,568	12%	5,206	-2%
EBITDA	903	1,046	-14%	808	12%

Sources: Company reports, MOFSL

Exhibit 7: One-year forward EV/EBITDA (x) trend

Exhibit 8: One-year forward EV/t trend


Financials and valuations

Consolidated Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	3,09,786	4,16,088	4,24,299	4,47,258	5,25,988	6,21,482	6,68,949	7,29,863
Change (%)	22.1	34.3	2.0	5.4	17.6	18.2	7.6	9.1
Raw Materials	52,888	69,831	65,181	70,858	79,650	91,306	1,09,315	1,20,376
Employees Cost	18,102	22,911	25,199	23,530	25,347	27,312	29,176	31,169
Other Expenses	1,77,344	2,49,877	2,40,141	2,37,191	3,05,848	3,99,008	4,02,549	4,33,745
Total Expenditure	2,48,335	3,42,619	3,30,520	3,31,579	4,10,845	5,17,626	5,41,040	5,85,290
As a percentage of Sales	80.2	82.3	77.9	74.1	78.1	83.3	80.9	80.2
EBITDA	61,452	73,469	93,779	1,15,679	1,15,144	1,03,855	1,27,909	1,44,573
Margin (%)	19.8	17.7	22.1	25.9	21.9	16.7	19.1	19.8
Depreciation	18,479	24,507	27,227	27,002	27,148	28,617	33,467	36,570
EBIT	42,972	48,962	66,552	88,677	87,996	75,238	94,441	1,08,004
Int. and Finance Charges	12,376	17,779	19,917	14,857	9,447	8,492	7,813	6,656
Other Income	5,886	4,634	6,511	7,342	5,078	5,170	5,495	5,897
PBT bef. EO Exp.	36,482	35,818	53,146	81,162	83,627	71,916	92,123	1,07,244
EO Items	-3,466	-1,139	0	-2,607	0	0	0	0
PBT after EO Exp.	33,016	34,679	53,146	78,555	83,627	71,916	92,123	1,07,244
Total Tax	10,770	10,681	15,413	25,387	11,901	21,260	30,814	34,937
Tax Rate (%)	32.6	30.8	29.0	32.3	14.2	29.6	33.4	32.6
Minority Interest	24	-37	-32	-34	-118	-143	-118	-118
Reported PAT	22,222	24,035	37,765	53,202	71,844	50,799	61,426	72,424
Adjusted PAT	24,557	24,823	37,765	54,967	56,665	50,799	61,426	72,424
Change (%)	-9.5	1.1	52.1	45.6	3.1	-10.4	20.9	17.9
Margin (%)	7.9	6.0	8.9	12.3	10.8	8.2	9.2	9.9

Consolidated Balance Sheet

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	2,746	2,746	2,886	2,887	2,887	2,887	2,887	2,887
Total Reserves	2,61,066	3,34,738	3,88,269	4,38,860	5,01,466	5,41,270	5,91,149	6,51,449
Net Worth	2,63,812	3,37,484	3,91,155	4,41,747	5,04,353	5,44,156	5,94,036	6,54,336
Minority Interest	160	122	75	57	-31	-148	-266	-383
Total Loans	1,94,802	2,53,370	2,28,979	2,04,878	1,02,028	1,02,028	82,028	72,028
Deferred Tax Liabilities	31,827	63,856	49,120	60,407	60,332	67,283	76,723	87,572
Capital Employed	4,90,601	6,54,832	6,69,329	7,07,089	6,66,683	7,13,320	7,52,522	8,13,553
Gross Block	4,30,455	5,71,407	6,02,798	6,14,319	6,41,922	7,33,589	7,95,270	8,76,965
Less: Accum. Deprn.	43,665	68,172	95,399	1,22,401	1,49,549	1,78,166	2,11,633	2,48,203
Net Fixed Assets	3,86,790	5,03,235	5,07,400	4,91,918	4,92,374	5,55,424	5,83,637	6,28,762
Goodwill on Consolidation	10,363	62,989	62,525	62,199	62,502	62,502	62,502	62,502
Capital WIP	15,112	11,486	9,095	16,867	47,847	31,582	30,582	11,582
Current Investment	39,491	15,165	42,437	1,08,939	49,633	22,694	22,694	22,694
Non-current Investment	14,978	14,048	16,850	12,842	13,725	13,725	13,725	13,725
Curr. Assets, Loans, and Adv.	1,04,677	1,58,335	1,44,307	1,59,034	1,71,938	2,08,939	2,25,765	2,67,530
Inventory	32,676	40,990	41,483	40,180	55,956	65,365	70,112	76,445
Account Receivables	22,206	27,870	22,383	25,717	30,716	35,865	38,330	41,761
Cash and Bank Balance	2,191	7,397	5,392	20,076	3,592	26,373	36,326	68,665
Loans and Advances	47,604	82,079	75,049	73,061	81,674	81,336	80,997	80,659
Curr. Liability and Prov.	80,904	1,10,548	1,19,152	1,52,307	1,71,595	1,81,807	1,86,647	1,93,507
Account Payables	23,849	31,671	35,014	46,993	58,628	69,272	74,563	81,353
Other Current Liabilities	50,526	71,206	76,240	96,441	1,04,309	1,03,869	1,03,412	1,03,476
Provisions	6,529	7,671	7,898	8,873	8,658	8,665	8,672	8,678
Net Current Assets	23,773	47,787	25,155	6,727	343	27,132	39,118	74,023
Deferred Tax assets	94	121	60	72	164	166	168	171
Net Assets held for sale	0	0	5,808	7,526	95	95	95	95
Appl. of Funds	4,90,601	6,54,832	6,69,329	7,07,089	6,66,683	7,13,320	7,52,522	8,13,553

E: MOFSL estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)								
EPS	89.4	90.4	130.8	190.4	196.3	176.0	212.8	250.9
Cash EPS	156.7	179.6	225.2	284.0	290.3	275.1	328.7	377.6
BV/Share	960.7	1,228.8	1,355.2	1,530.4	1,747.2	1,885.0	2,057.8	2,266.7
DPS	9.5	10.5	11.5	37.0	38.0	38.0	40.0	42.0
Payout (%)	12.7	14.0	10.1	19.4	19.4	21.6	18.8	16.7
Valuation (x)								
P/E		75.8	52.3	36.0	34.9	38.9	32.2	27.3
Cash P/E		38.1	30.4	24.1	23.6	24.9	20.8	18.1
P/BV		5.6	5.1	4.5	3.9	3.6	3.3	3.0
EV/Sales		5.0	5.0	4.6	3.8	3.2	3.0	2.7
EV/t (USD)		237	237	226	216	190	187	156
EV/EBITDA		28.5	22.8	17.6	17.5	19.4	15.5	13.4
Dividend Yield (%)		0.2	0.2	0.5	0.6	0.6	0.6	0.6
FCF per share		156.9	249.4	369.4	127.4	35.1	151.8	191.3
Return Ratios (%)								
RoE	9.7	8.3	10.4	13.2	12.0	9.7	10.8	11.6
RoCE	8.4	7.1	8.6	10.3	12.7	9.0	10.1	11.0
RoIC	8.2	6.4	7.7	10.2	13.4	8.8	9.7	10.6
Working Capital Ratios								
Inventory (Days)	38	36	36	33	39	38	38	38
Debtor (Days)	26	24	19	21	21	21	21	21
Creditor (Days)	28	28	30	38	41	41	41	41
Leverage Ratio (x)								
Current Ratio	1.3	1.4	1.2	1.0	1.0	1.1	1.2	1.4
Interest Coverage Ratio	3.5	2.8	3.3	6.0	9.3	8.9	12.1	16.2
Net Debt/Equity ratio	0.6	0.7	0.5	0.2	0.1	0.1	0.0	0.0

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	33,015	34,685	52,423	78,576	83,627	71,916	92,123	1,07,244
Depreciation	18,479	24,507	27,022	27,002	27,148	28,617	33,467	36,570
Interest and Finance Charges	12,328	17,779	19,917	14,857	9,447	8,492	7,813	6,656
Direct Taxes Paid	-8,429	-7,101	-8,914	-12,910	-15,549	-14,312	-21,377	-24,090
(Inc.)/Dec. in WC	-12,477	-6,957	4,503	23,264	-4,730	-4,008	-2,033	-2,566
CF from Operations	42,916	62,913	94,949	1,30,789	99,943	90,705	1,09,994	1,23,814
Others	-4,042	-3,352	-5,929	-5,785	-7,110	-5,170	-5,495	-5,897
CF from Operations incl. EO	38,874	59,561	89,020	1,25,004	92,832	85,535	1,04,499	1,17,917
(Inc.)/Dec. in FA	-18,828	-16,482	-17,037	-18,389	-56,062	-75,402	-60,681	-62,694
Free Cash Flow	20,047	43,079	71,983	1,06,615	36,771	10,133	43,818	55,223
(Pur.)/Sale of Investments	36,777	26,614	-26,266	-70,949	76,888	26,939	0	0
Others	621	1,007	1,210	774	1,744	5,170	5,495	5,897
CF from Investments	18,570	11,138	-42,094	-88,565	22,570	-43,293	-55,186	-56,798
Issue of Shares	157	52	27	70	44	0	0	0
Inc./(Dec.) in Debt	-42,069	-46,482	-26,663	-25,149	-1,12,232	0	-20,000	-10,000
Interest Paid	-12,050	-16,854	-19,445	-14,805	-2,227	-8,492	-7,813	-6,656
Dividend Paid	-3,340	-3,462	-3,800	-3,748	-10,650	-10,969	-11,547	-12,124
Others	0	-827	-31	68	87	0	0	0
CF from Fin. Activity	-57,302	-67,572	-49,911	-43,565	-1,24,979	-19,461	-39,360	-28,780
Inc./Dec. in Cash	142	3,127	-2,985	-7,125	-9,577	22,781	9,953	32,339
Opening Balance	629	1,286	4,450	8,897	10,782	3,592	26,373	36,326
Closing Balance	772	4,412	1,465	1,772	1,205	26,373	36,326	68,665

NOTES

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

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

Disclosures

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

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

<http://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, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however, the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980

4263; 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.:022-71881085.

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; 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.