

KEI Industries

Estimate change



TP change



Rating change



Bloomberg	KEII IN
Equity Shares (m)	90
M.Cap.(INRb)/(USDb)	395.7 / 4.7
52-Week Range (INR)	5040 / 2317
1, 6, 12 Rel. Per (%)	1/1/37
12M Avg Val (INR m)	1074
Free float (%)	62.9

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	94.3	109.9	128.3
EBITDA	9.7	12.3	15.2
Adj. PAT	6.8	8.2	10.1
EBITDA Margin (%)	10.3	11.2	11.9
Cons. Adj. EPS (INR)	75.6	91.1	112.1
EPS Gr. (%)	17.4	20.6	23.0
BV/Sh. (INR)	420	505	611

Ratios

Net D:E	(0.0)	(0.0)	(0.0)
RoE (%)	18.0	18.1	18.4
RoCE (%)	17.1	17.6	18.2
Payout (%)	6.4	6.6	5.4

Valuations

P/E (x)	58.0	48.1	39.1
P/BV (x)	10.4	8.7	7.2
EV/EBITDA (x)	40.6	32.2	25.8
Div Yield (%)	0.1	0.1	0.1
FCF Yield (%)	(1.3)	0.4	0.4

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	37.1	37.1	37.1
DII	16.0	16.6	17.7
FII	31.1	30.8	29.6
Others	15.8	15.6	15.7

FII Includes depository receipts

CMP: INR4,385
TP: INR5,100 (+16%)
BUY

RM volatility and lower EPC revenue hurt margins

Obtains Board approvals for fundraise with an aim to remain debt-free

- KEI Industries (KEII)'s 2QFY25 earnings were below our estimate due to a lower-than-estimated margin in the Cables and Wires (C&W) segment led by RM cost volatility and lower EPC revenue. EBITDA was INR2.2b (est. INR2.5m), while OPM came in at ~10% (est. ~11%). PAT stood at INR1.5b (est. INR1.7b).
- Management indicated the volatility impact of RM costs will average out on a six-month basis, and it maintained its OPM guidance of 10.5-11.0% for FY25 (OPM was flat YoY at ~10% in 1HFY25). The decline in EPC revenue was due to heavy rainfalls across the country, due to which right-of-way (RoW) approvals were not available. KEII intends to remain a debt-free company and has obtained Board approvals for a fundraise of up to INR20b via QIP.
- We cut our EPS estimates for FY25-27 by ~3-6% as we factor in lower EPC revenue and reduced C&W EBIT margin by ~20bp. We estimate an EPS CAGR of ~20% over FY24-27. We value KEII at 50x Sep'26E EPS to arrive at our TP of INR5,100 (vs. INR5,300). **Reiterate BUY.**

Revenue/EBITDA up 17%/8% YoY; OPM down 80bp YoY to ~10%

- KEII's revenue/EBITDA/Adj. PAT stood at INR22.8b/INR2.2b/INR1.5b (up 17%/8%/10% YoY and up 1%/ down 12%/8% vs. our estimate). OPM margin contracted 80bp YoY to ~10%.
- Segmental highlights: a) **Cables and Wires:** Revenue rose 21% YoY to INR21.4b and EBIT was up ~17% YoY to INR2.2b. EBIT margin contracted 30bp YoY to ~10%. b) **EPC business:** Revenue declined 58% YoY to INR1.3b and EBIT dipped 61% YoY to INR121m. EBIT margin contracted 80bp YoY to ~9%. c) **Stainless Steel Wires (SSW):** Revenue was up 1% YoY to INR598m, while EBIT declined 21% YoY to INR29m. EBIT margin contracted 1.3pp YoY to ~5%.
- In 1HFY25, revenue/EBITDA/PAT grew 16%/14%/17% YoY. EBITDA margin was flat YoY at ~10%. The C&W EBIT margin expanded 1pp YoY to ~11% during 1HFY25. The company's operating cash outflow stood at INR3.1b vs. OCF of INR1.2b in 1HFY24. Capex (including purchase of land and building) stood at INR3.1b vs. INR2.2b in 1HFY24.

Key highlights from the management commentary

- Demand continues to remain strong from solar renewable energy and transmission sectors. Thermal power projects, pump storage projects, data centers, and highway tunneling projects are also driving demand.
- Capacity utilization was ~78% for the cable segment, ~71% for the house wire division, and ~93% for the stainless wire division during 1HFY25.
- Capex in FY25/26 will be INR11b+/INR6-7b (including maintenance capex of INR500m every year). Receivables days will be at 2.1 months in FY25. Inventory days should fall to 2.25 months vs. 2.4 months at present.

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, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuation and view

- KEI is focused on improving its retail sales in total revenue to ~50% from ~47% in FY24. To increase its retail sales, KEI is also expanding its dealer/ distribution network (active dealer count rose ~5% YoY to 2,038 as of Sep'24). Further, the company targets to improve its export share in total revenue to ~12-13% from ~11% in 1HFY25.
- We estimate a revenue/EBITDA/EPS CAGR of 17%/22%/20% over FY24-27. The stock currently trades at 48x FY26E EPS. Considering the strong demand outlook and robust earnings CAGR, we value KEI at 50x Sep'26E EPS to arrive at our revised TP of INR5,100 (earlier INR5,300). **Reiterate BUY.**

Quarterly performance

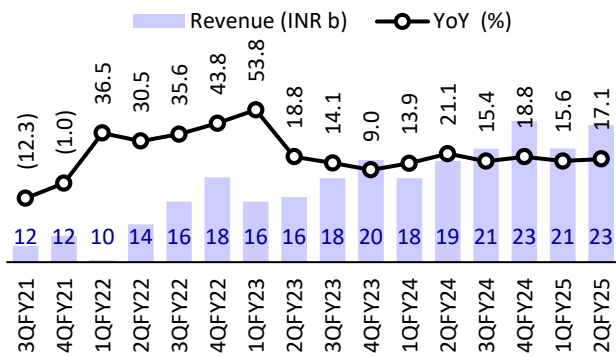
Y/E March	FY24				FY25E				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E	FY25 2QE	Var. (%)
Sales	17,826	19,466	20,594	23,156	20,605	22,796	23,724	27,215	81,041	94,340	22,586	1
Change (%)	13.9	21.1	15.4	18.6	15.6	17.1	15.2	17.5	17.3	16.4	16	
Adj. EBITDA	1,783	2,039	2,146	2,409	2,146	2,206	2,433	2,959	8,375	9,744	2,512	(12)
Change (%)	11.7	27.0	17.8	19.1	20.4	8.2	13.4	22.8	19.3	16.3	23	
Adj. EBITDA margin (%)	10.0	10.5	10.4	10.4	10.4	9.7	10.3	10.9	10.3	10.3	11.1	(145)
Depreciation	147	156	154	158	155	163	167	182	614	668	166	(1)
Interest	89	75	109	165	142	133	145	160	439	580	160	(17)
Other Income	83	77	142	189	178	169	160	165	490	672	85	99
Extra-ordinary Items	-	-	-	(2)	-	-	-	-	(2)	-	-	
PBT	1,630	1,884	2,024	2,274	2,027	2,079	2,282	2,781	7,813	9,169	2,272	(8)
Tax	416	482	518	587	525	531	586	708	2,002	2,350	584	
Effective Tax Rate (%)	25.5	25.6	25.6	25.8	25.9	25.5	25.7	25.5	25.6	25.6	25.7	
Reported PAT	1,214	1,402	1,507	1,686	1,502	1,548	1,695	2,073	5,808	6,819	1,688	(8)
Change (%)	17.0	31.2	17.2	22.1	23.8	10.4	12.5	23.0	22.2	17.4	20.4	
Adj. PAT	1,214	1,402	1,507	1,688	1,502	1,548	1,695	2,073	5,811	6,819	1,688	(8)
Change (%)	17.0	31.2	17.2	22.2	23.8	10.4	12.5	22.8	22.3	17.4	20.4	

Segmental performance (INR m)

Y/E March	FY24				FY25				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E	FY25 2QE	Var. (%)
Sales												
Cables (Power + Housing wires)	16,119	17,755	18,671	20,691	18,757	21,402	22,032	24,940	73,236	87,131	20,774	3
Stainless steel wires	590	591	461	572	538	598	507	646	2,214	2,289	632	(5)
EPC Business	1,847	3,131	3,769	3,405	2,261	1,309	1,885	2,444	12,151	7,898	2,880	(55)
EBIT												
Cables (Power + Housing wires)	1,415	1,919	1,979	2,258	2,067	2,241	2,423	2,852	7,570	9,584	2,306	(3)
Stainless steel wires	31	36	36	13	10	29	25	27	117	92	19	51
EPC Business	256	314	439	422	298	121	188	261	1,431	869	317	(62)
EBIT Margin (%)												
Cables (Power + Housing wires)	8.8	10.8	10.6	10.9	11.0	10.5	11.0	11.4	10.3	11.0	11.1	(63)
Stainless steel wires	5.3	6.1	7.8	2.3	1.9	4.8	5.0	4.2	5.3	4.0	3.0	179
EPC Business	13.9	10.0	11.6	12.4	13.2	9.2	10.0	10.7	11.8	11.0	11.0	(175)

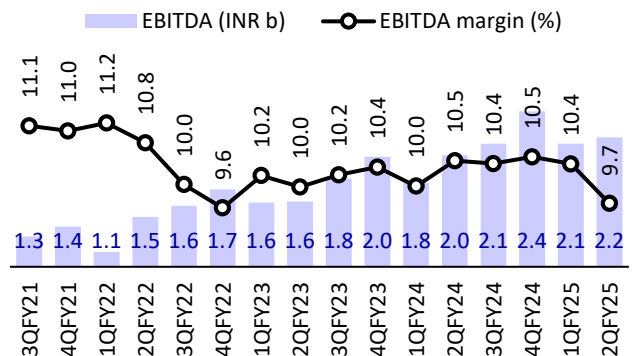
Story in charts

Exhibit 1: Total revenue grew ~17% YoY in 2QFY25



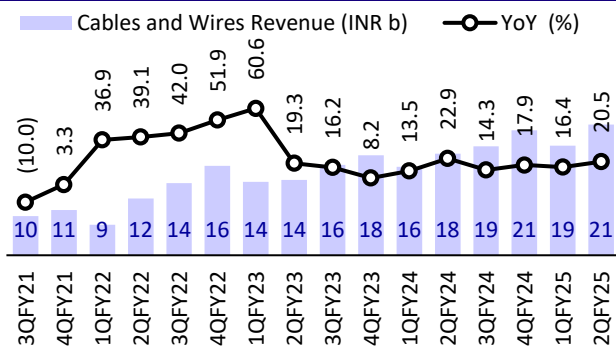
Source: MOFSL, Company

Exhibit 2: EBITDA grew ~8% YoY



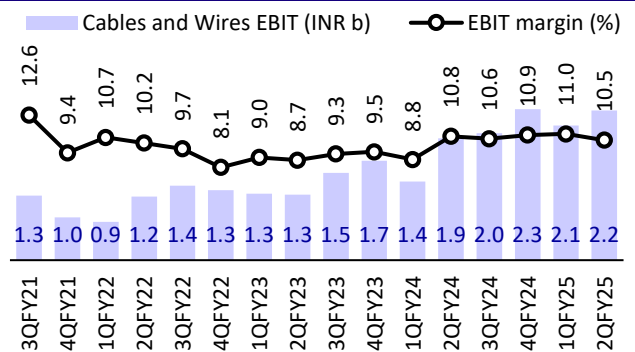
Source: MOFSL, Company

Exhibit 3: Cables & Wires' revenue rose ~21% YoY



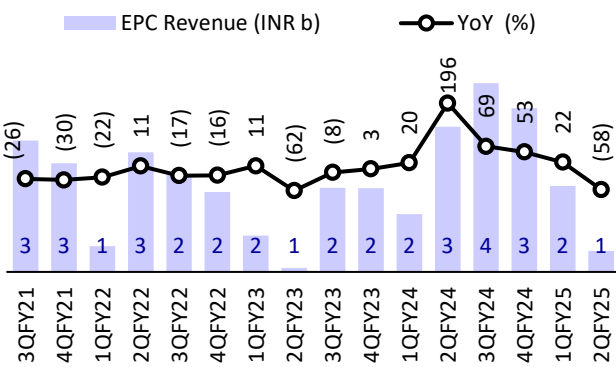
Source: MOFSL, Company

Exhibit 4: Cables and Wires' EBIT margin dipped 30bp YoY



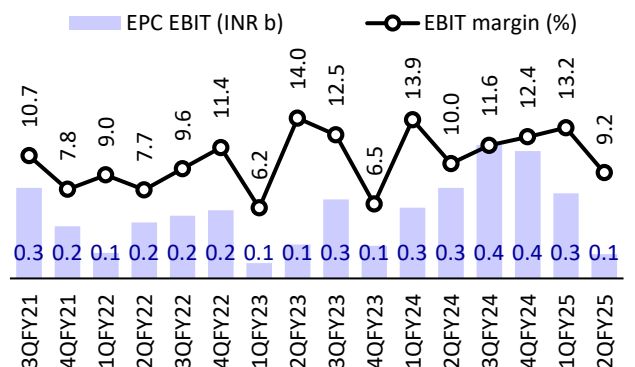
Source: MOFSL, Company

Exhibit 5: EPC revenue declined 58% YoY



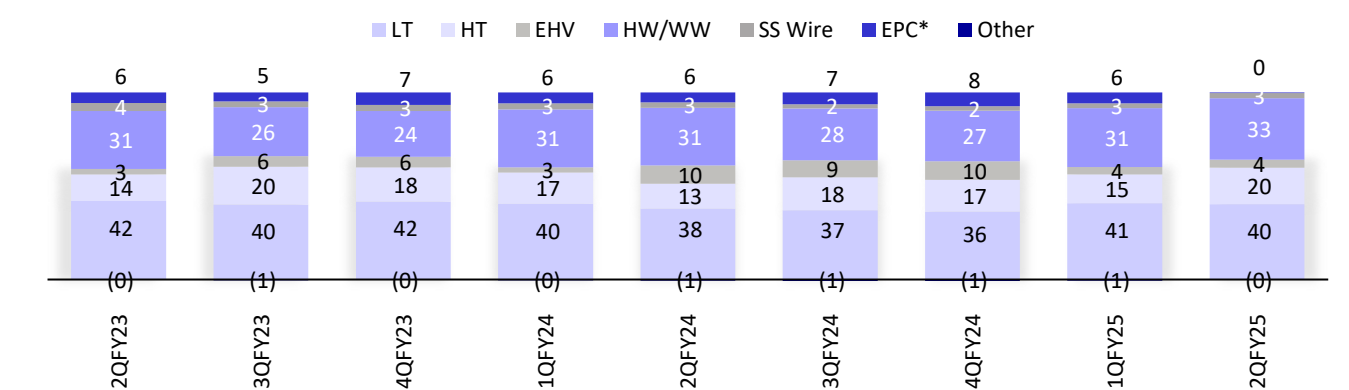
Source: MOFSL, Company

Exhibit 6: EPC EBIT margin contracted 80bp YoY



Source: MOFSL, Company

Exhibit 7: Breakdown of product and mix in revenue (%)



Source: MOFSL, Company; Note: *EPC (Other than cable)



Conference call highlights

Demand drivers and growth guidance

- Demand continues to remain strong from solar renewable energy and transmission sectors. Thermal power projects, pump storage projects, data centers, and highway tunneling projects are also driving demand.
- Based on consumption of metals and production, volume growth in the cables division was ~14% in 1HFY25. Volume growth was slightly lower as some of the materials could not be dispatched in exports as well as in EHV, and this led to an increase in finished goods inventory.
- Capacity utilization was ~78% for the cable segment, ~71% for the house wire division, and ~93% for the stainless wire division during 1HFY25.
- EHV demand was hit and is being driven by government utilities in the transmission sector. There are fluctuations on a quarterly basis; however, there should be a growth on a full-year basis. RoW permissions were not given in any part of the country due to the monsoon season/heavy rains, which also impacted EHV demand. EHV capacity was used for HT cable production. There is 4-5pp margin difference between HT and EHV cables.
- EBITDA margin was hurt by volatility in copper and aluminum prices. However, this will average out on a six-month basis. Management maintains its full-year revenue growth guidance of ~17% and OPM guidance of 10.5-11%.
- EPC revenue share in total revenue is estimated to be ~5-6% in FY25. It expects annual sales from EPC projects of INR2.5b-3.0b.
- The total active working dealers of the company increased to 2,038 as of Sep'24 from 1,950/2,015 as of Sep'23/Jun'24.

Rational for fundraise

- The Sanand project will have a capex of INR18-19b. Apart from this, the company spent INR2.5b on brownfield expansions, which was not envisaged when it finalized the Sanand project. It will also require additional working capital of INR3-4b p.a. apart from annual capex of INR5-6b to maintain its growth ambition of 17% YoY. Further, KEI aims to remain a debt-free company.

Order book and revenue growth

- Domestic institutional cable sales increased ~20% YoY to INR6.15b. Domestic institutional EHV sales declined 57% YoY to INR730m. Capacity of the extra-high voltage cable has been used for medium-voltage and high-voltage power cables. Export sales declined ~3% YoY to INR2.41b.
- Revenue contribution from cable institutional sales was 39% vs. 44% in 2QFY24. Sales through dealers increased 36% YoY to INR12.6b and contributed 55% to revenue vs. 47% in 2QFY24.
- The order book stood at INR38.5b vs. INR33.6b in 2QFY24 and INR35.9b in 1QFY25. The order book mix in 2QFY25 — EPC: 16%, EHV: 8%; Cables: 62% and Export: 15%.
- In 1HFY25, export share in total revenue stood at ~11%. KEI targets export share in total revenue to be at ~12-13%.

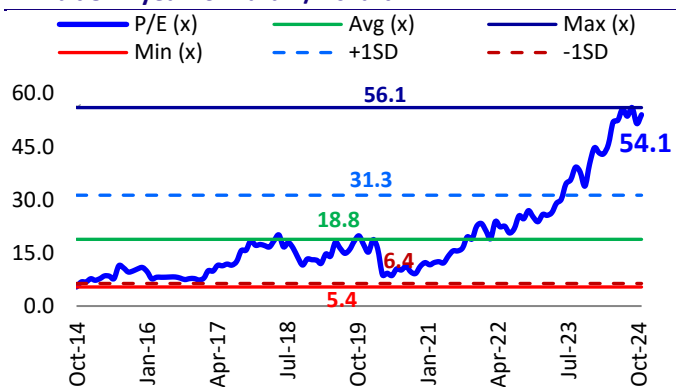
Future growth and capex plan

- In 1HFY25, capex stood at INR3.12b, which included INR1.7b for a greenfield project at Sanand, Gujarat, INR480m for brownfield expansion at Silvassa plant, INR250m for Bhiwadi plant, INR380m for Pathredi plant, and INR320m for other plants. Brownfield capacity expansions at Pathredi and Chinchpada plants have been completed in 1HFY25. This brownfield expansion will help drive ~17% growth in FY25.
- Commercial production at the Greenfield expansion in Sanand plant is expected from 1QFY26. This plant will have a revenue potential of INR50b (INR15b for LT, INR12-15b for HT, and the rest for EHV cables). Asset turnover ratio will be low due to higher capacities for EHV (having asset turnover ratio of 1.5-2.0x) while, for other products; asset turnover ratio will be between 3.0x and 5.0x. EHV capacity can also be used for HT production based on the demand trends.
- Capex (including maintenance) is pegged at INR11b/INR6-7b in FY25/FY26. Maintenance capex stood at INR500m annually at existing plants.

Other highlights

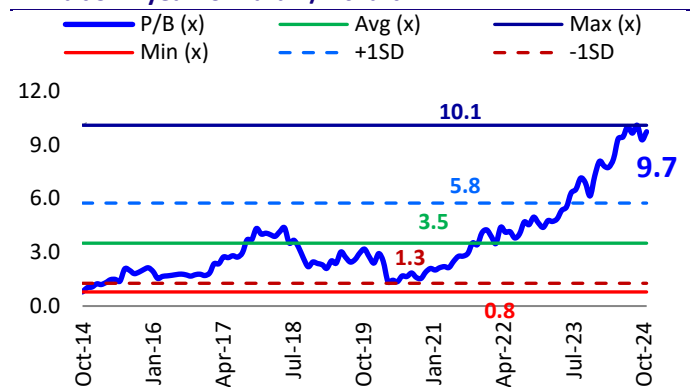
- **Working capital:** Receivables days will be at 2.1 months in FY25. Inventory days should fall to 2.25 months from 2.4 months now.
- Gross debt was INR3.1b (includes channel financing of INR1.1b) vs. INR1.3b as of Mar'24. Cash balance was INR2.5b. Acceptance credit was INR3.6b vs. INR5.1b as of Mar'24. Overall, net debt stood at INR4.3b vs. net cash balance of INR600m as of Mar'24.

Exhibit 8: 1-year forward P/E chart



Source: MOFSL, Company

Exhibit 9: 1-year forward P/B chart



Source: MOFSL, Company

Financials and valuations (Consolidated)

Income Statement						(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	48,878	41,815	57,270	69,082	81,041	94,340	1,09,907	1,28,311
Change (%)	15.6	(14.4)	37.0	20.6	17.3	16.4	16.5	16.7
EBITDA	4,996	4,605	5,887	7,020	8,375	9,744	12,256	15,237
% of Net Sales	10.2	11.0	10.3	10.2	10.3	10.3	11.2	11.9
Depreciation	567	578	555	571	614	668	1,012	1,499
Interest	1,292	573	404	347	439	580	710	761
Other Income	165	201	146	318	490	672	523	625
PBT	3,302	3,655	5,075	6,420	7,813	9,169	11,056	13,602
Tax	716	921	1,315	1,647	2,002	2,350	2,834	3,486
Rate (%)	21.7	25.2	25.9	25.7	25.6	25.6	25.6	25.6
Extraordinary Inc.(net)	-	-	-	-	2.1	-	-	-
Reported PAT	2,586	2,734	3,760	4,773	5,813	6,819	8,223	10,116
Change (%)	42.3	5.7	37.5	26.9	21.8	17.3	20.6	23.0
Adjusted PAT	2,586	2,734	3,760	4,773	5,811	6,819	8,223	10,116
Change (%)	42.3	5.7	37.5	26.9	21.7	17.4	20.6	23.0

Balance Sheet						(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	179	180	180	180	180	180	180	180
Reserves	14,889	17,597	21,175	25,711	31,302	37,688	45,369	54,944
Net Worth	15,068	17,776	21,355	25,892	31,483	37,868	45,550	55,125
Loans	3,151	2,850	3,314	1,353	1,342	4,342	3,842	3,342
Deferred Tax Liability	310	296	294	266	273	273	273	273
Capital Employed	18,528	20,922	24,963	27,511	33,098	42,484	49,665	58,740
Gross Fixed Assets	6,298	6,631	7,733	8,668	11,312	12,536	23,612	29,912
Less: Depreciation	1,309	1,869	2,424	2,995	3,608	4,276	5,288	6,787
Net Fixed Assets	4,989	4,761	5,309	5,673	7,703	8,260	18,324	23,125
Capital WIP	112	71	165	146	1,224	10,000	4,000	4,000
Investments	6	9	20	13	16	16	16	16
Curr. Assets	27,579	25,295	29,776	31,870	37,636	38,769	43,988	51,052
Inventory	8,638	7,682	10,794	11,023	13,427	14,991	17,164	20,038
Debtors	13,676	13,496	13,955	13,878	15,179	17,317	19,572	22,850
Cash & Bank Balance	2,143	2,212	3,600	5,372	7,004	4,362	4,807	5,309
Loans & Advances	154	220	16	24	27	31	36	42
Other Current Assets	2,969	1,685	1,410	1,573	2,000	2,068	2,409	2,812
Current Liab. & Prov.	14,158	9,214	10,307	10,191	13,482	14,561	16,662	19,452
Creditors	11,690	7,414	7,626	7,482	10,079	11,114	12,647	14,765
Other Liabilities	2,277	1,658	2,538	2,469	3,106	3,102	3,613	4,218
Provisions	192	142	143	240	296	345	402	469
Net Current Assets	13,421	16,081	19,469	21,679	24,155	24,208	27,326	31,599
Application of Funds	18,528	20,922	24,963	27,511	33,098	42,484	49,665	58,740

Financials and valuations (Consolidated)

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
Adjusted EPS	28.9	30.4	41.7	52.9	64.4	75.6	91.1	112.1
Growth (%)	25.5	5.3	37.2	26.8	21.7	17.4	20.6	23.0
Cash EPS	35.2	36.9	47.9	59.3	71.2	83.0	102.3	128.7
Book Value	168.3	197.8	237.0	287.1	348.9	419.6	504.8	610.9
DPS	1.5	2.0	2.5	3.0	3.5	4.0	5.0	5.0
Payout (incl. Div. Tax.)	10.7	6.6	6.0	5.7	4.8	6.4	6.6	5.4
Valuation (x)								
P/Sales	8.0	9.4	6.9	5.7	4.9	4.2	3.6	3.1
P/E	151.6	144.0	105.0	82.8	68.0	58.0	48.1	39.1
Cash P/E	124.4	118.9	91.5	73.9	61.5	52.8	42.8	34.0
EV/EBITDA	78.7	85.6	67.0	55.7	46.5	40.6	32.2	25.8
EV/Sales	8.0	9.4	6.9	5.7	4.8	4.2	3.6	3.1
Price/Book Value	26.0	22.1	18.5	15.3	12.6	10.4	8.7	7.2
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Profitability Ratios (%)								
RoE	17.2	15.4	17.6	18.4	18.5	18.0	18.1	18.4
RoCE	19.4	15.1	16.3	18.3	18.5	17.1	17.6	18.2
RoIC	21.2	16.1	18.5	21.7	22.1	17.7	18.6	19.1
Turnover Ratios								
Debtors (Days)	102	118	89	73	68	67	65	65
Inventory (Days)	65	67	69	58	60	58	57	57
Creditors. (Days)	87	65	49	40	45	43	42	42
Asset Turnover (x)	2.6	2.0	2.3	2.5	2.4	2.2	2.2	2.2
Leverage Ratio								
Net Debt/Equity (x)	0.1	0.0	(0.0)	(0.2)	(0.2)	(0.0)	(0.0)	(0.0)

Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
(INR m)								
PBT before EO Items	3,279	3,654	5,075	6,420	7,811	9,169	11,056	13,602
Add : Depreciation	567	578	555	571	614	668	1,012	1,499
Interest	1,276	554	404	347	439	580	710	761
Less : Direct Taxes Paid	947	903	1,247	1,776	2,045	2,350	2,834	3,486
(Inc)/Dec in WC	4,365	2,420	2,505	349	689	2,696	2,673	3,771
Others	61	76	4	(74)	(24)	(672)	(523)	(625)
CF from Operations	(130)	1,539	2,286	5,139	6,105	4,699	6,750	7,980
(Inc)/Dec in FA	(805)	(240)	(597)	(979)	(4,005)	(10,000)	(5,076)	(6,300)
Free Cash Flow	(936)	1,299	1,688	4,160	2,100	(5,301)	1,674	1,680
(Pur)/Sale of Investments	783	952	(8)	(547)	265	-	-	-
Others	133	42	22	156	209	672	523	625
CF from Investments	110	754	(584)	(1,371)	(3,531)	(9,328)	(4,552)	(5,675)
(Inc)/Dec in Net Worth	5,020	79	56	20	11	-	-	-
(Inc)/Dec in Debt	(1,062)	(714)	666	(1,961)	(9)	3,000	(500)	(500)
Less : Interest Paid	2,558	471	404	347	439	580	710	761
Dividend Paid	276	180	224	271	281	433	541	541
Others	(131)	-	(408)	-	(225)	-	-	-
CF from Fin. Activity	994	(1,286)	(314)	(2,559)	(942)	1,987	(1,752)	(1,802)
Inc/Dec of Cash	974	1,007	1,388	1,208	1,632	(2,642)	445	503
Add: Beginning Balance	1,169	1,205	2,212	4,163	5,372	7,004	4,362	4,807
Closing Balance	2,143	2,212	3,600	5,372	7,004	4,362	4,807	5,309

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

NOTES

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

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

Disclosures

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

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

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

The associates of MOFSL may have:

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

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email ID: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.