

# United Breweries

**BSE Sensex** 83,185  
**S&P CNX** 25,416



Bloomberg	UBBL IN
Equity Shares (m)	264
M.Cap.(INRb)/(USD\$)	563.3 / 6.7
52-Week Range (INR)	2182 / 1535
1, 6, 12 Rel. Per (%)	4/10/6
12M Avg Val (INR M)	546

## Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Net Sales	81.2	91.4	103.5
Sales Gr. (%)	8.3	12.5	13.3
EBITDA	7.0	10.2	13.2
Margin (%)	8.6	11.1	12.8
Adj. PAT	4.1	6.5	8.8
Adj. EPS (INR)	15.5	24.7	33.1
EPS Gr. (%)	24.7	59.2	33.8
BV/Sh. (INR)	158.0	171.3	189.0

## Ratios

RoE (%)	10.1	15.0	18.4
RoCE (%)	10.2	15.1	18.5

## Valuations

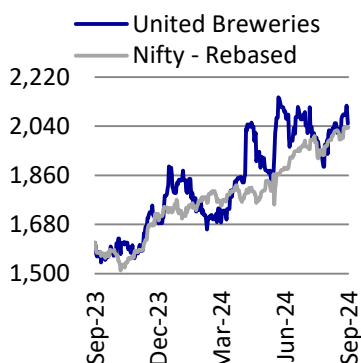
P/E (x)	137.1	86.1	64.3
P/BV (x)	13.5	12.4	11.3
EV/EBITDA (x)	80.6	54.6	42.4

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	70.8	70.8	72.7
DII	17.5	17.3	15.8
FII	6.4	6.6	6.3
Others	5.2	5.3	5.2

FII Includes depository receipts

## Stock performance (one-year)



**CMP: INR2,131 TP: INR1,800 (-16%) Sell**

## Improving supply chains to boost market penetration

We attended UBBL's analyst meet and the following are the key takeaways.

- MD and CEO Mr. Vivek Gupta, who joined UBBL a year ago, emphasized the need to refocus on consumers, who have been overlooked due to excessive government intervention. He highlighted the importance of expanding supply chains and distribution points to address the low penetration of beer in India. Mr. Gupta also stressed the need for strategic risk management to balance both the risks and opportunities in the business environment.
- UBBL focuses on growing its premium portfolio, which currently contributes in high single digits to overall portfolio. It aims to increase the share of premium beer in its sales to 25% within three years. Its premium brands, Ultra and Ultra Max, are positioned to drive growth in the local premium segment. The company plans to introduce new premium products and innovations over the next 12-18 months to cater to evolving consumer demands.
- UBBL is working on the supply chain to ensure consistent availability of all SKUs (650ml, 330ml and cans) in all markets. It is focusing on expanding its distribution network to improve market penetration, as beer distribution in India remains relatively low. The lack of cold storage facilities in smaller cities limits product availability.
- UBBL anticipates steady volume growth of 6-7% over the next 5-6 years, targeting double-digit revenue growth and EBIT margin expansion to 10-12% (from 6% in FY24) over the next 2-3 years. This improvement will be driven by an increase in bottle recovery rates along with a focus on premiumization. We estimate a CAGR of 12%/29%/35%, in sales/EBITDA/APAT over FY24-27E.
- The stock trades at 86x/64x for FY25/FY26E EPS. Due to expensive valuations and risk of margin recovery, **we maintain our Sell rating on the stock with a TP of INR1,800 (50x Jun'26E EPS).**

## Valuation and view

- There are numerous challenges for the company, including stiff competition from both local and international brands in India, along with regulatory issues in the industry.
- The company's premium portfolio has been growing strongly, although the pace of growth was slower than that of the other premium brands for the majority of FY24. Over FY24-27E, we estimate a CAGR of 12%/29%/35% in sales/EBITDA/adj. PAT.
- Despite factoring in healthy growth and margin recovery, the stock trades at 86x/64x FY25E/FY26E EPS. We expect EBITDA margin to recover in FY25 and FY26, and any delay in margin recovery can potentially lead to earning cuts. Due to expensive valuations and risk of muted margin recovery, **we maintain our Sell rating on the stock with a TP of INR1,800 (50x Jun'26E EPS).**

**Naveen Trivedi – Research Analyst** (Naveen.Trivedi@motilaloswal.com)

**Research Analyst: Pratik Prajapati** (pratik.prajapati@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

**Exhibit 1: UBBL per case performance**

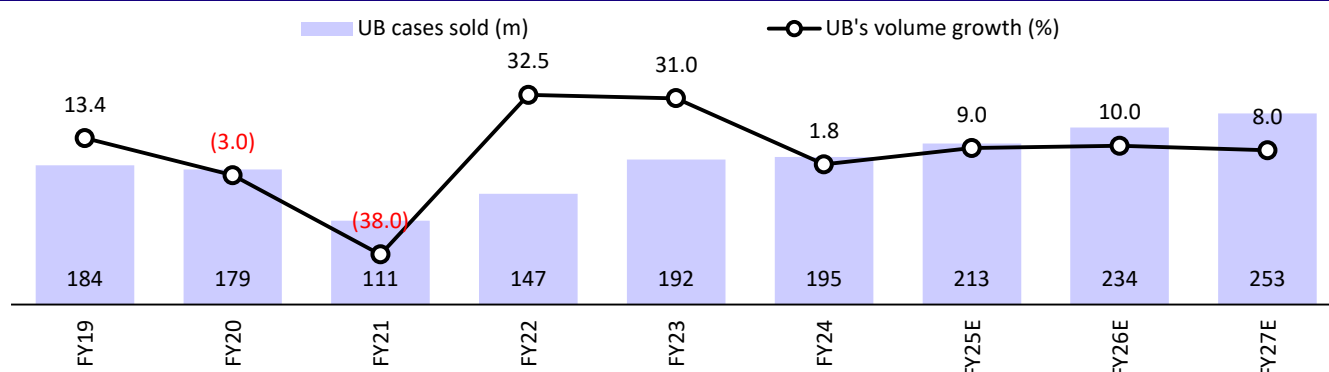
Per case data	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Volumes (mn cases)	162	184	179	111	147	192	195	213	234	253
Net realization/case (INR)	346	351	364	383	398	391	416	429	442	453
COGS/case (INR)	162	163	176	183	200	222	238	238	243	249
Gross Profit/case (INR)	184	188	188	200	199	169	178	191	199	204
Total Costs/case (INR)	290	290	315	348	351	359	380	382	386	394
EBITDA/case (INR)	56	62	49	34	48	32	36	48	56	60
Growth, YoY (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Volumes (mn cases)	10.0	13.4	(3.0)	(38.0)	32.2	30.9	1.8	9.0	10.0	8.0
Net realization/case (INR)	7.3	1.6	3.6	5.1	4.1	(1.9)	6.4	3.2	3.0	2.5
COGS/case (INR)	9.8	0.8	8.0	3.8	9.1	11.4	7.1	(0.0)	2.1	2.5
Gross Profit/case (INR)	5.2	2.3	(0.2)	6.2	(0.5)	(15.2)	5.4	7.5	4.2	2.5
Total Costs/case (INR)	4.9	(0.2)	8.8	10.5	0.7	2.3	6.0	0.3	1.1	2.0
EBITDA/case (INR)	21.9	11.2	(20.7)	(29.9)	38.3	(32.4)	11.0	33.8	18.4	5.6

Source: Company, MOFSL

**Exhibit 2: Regional volume performance**

Regional volume	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
North	120.0	44.0	35.0	26.0	87.0	15.0	13.0	14.0	-15.0	1.0	-1.0	3.0	7.0
East	578.0	89.0	12.0	2.0	88.0	52.0	3.0	29.0	-8.0	11.0	22.0	10.0	2.0
West	86.0	33.0	11.0	-11.0	167.0	22.0	2.0	10.0	2.0	2.0	9.0	0.0	6.0
South	61.0	49.0	19.0	8.0	162.0	21.0	0.0	-10.0	-18.0	11.0	10.0	21.0	6.0

Source: Company, MOFSL

**Exhibit 3: Volume to be grow in high single digit over FY24-FY27E**

Source: Company, MOFSL

**Analyst meet highlights**

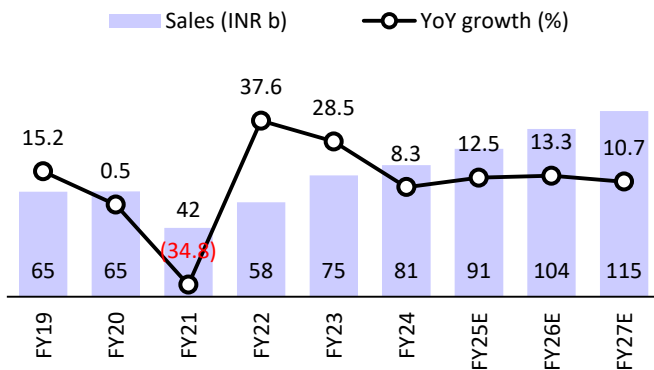
- **Mr. Vivek Gupta, MD and CEO of UBBL, has joined the company a year ago. In his opening remark, he highlighted three focus areas for the beer industry:**
  - **Consumer-Centric Approach:** He emphasized the need to refocus on consumers as government interventions have previously diverted attention from them.
  - **Supply Chain and Distribution:** He identified the need for expanding supply chain and distribution channels to address the low penetration of beer in India.
  - **Risk Management:** Mr. Gupta stressed the importance of planning around both risks and opportunities in the business environment.
- The strategy for driving growth in the beer category revolves around three pillars: **Affordability**, ensuring **availability at key locations**, and building **awareness** through offering superior products.
- **Regulatory Advocacy** - The Beer Association of India was launched for industry advocacy and to connect with state governments at various levels to (1) voice

the concerns about ever-increasing duties and higher taxation on beer compared to spirits (relative to alcohol content; recent instances of higher tax increases on beer relative to spirits) and (2) bring in necessary changes to expedite regulatory approvals for setting up new breweries.

- **Portfolio Management and Innovation** - UBBL's management views portfolio management as a critical factor for long-term success. Over the next 12-18 months, the company plans to focus on the following factors:
  - **SKU Availability:** It plans to ensure consistent availability of all SKUs (650 ml, 330 ml, and cans) across all markets and also addressing the issue of cold storage in smaller cities.
  - **Innovation:** UBBL plans to launch a couple of new products to fill portfolio gaps. The company aims to increase the share of premium beer in its sales to 25% over the next three years, up from the current high single-digit contribution.
  - **Consumer-Centric Strategy:** The focus will shift to offering a comprehensive portfolio that meets diverse consumer needs, positioning UBBL as a more consumer-centric organization.
- **Market Opportunity and Demand Environment** - India's beer industry offers significant growth potential, with current market penetration at just 20%, much lower than other markets such as Vietnam and Nigeria. UBBL is strategically positioned to capitalize on this opportunity through:
  - **Premiumization Efforts:** With a focus on premiumizing its portfolio and expanding capacity, UBBL aims to drive long-term growth.
  - **Category Expansion:** Beer currently occupies less than 20% of the alcohol market in India, presenting substantial room for growth. UBBL aims to increase beer's share in the alcohol category.
  - **Expanding Consumption Occasions:** UBBL expects beer consumption occasions to increase by 20-25%, considering beer's social appeal for gatherings and events.
- **Expansion Plans and Market Penetration** - UBBL is investing heavily in expanding its sales team and leveraging technology to enhance market penetration. Notably, beer occupies only 10% of retail shelf space compared to 90% for spirits, underscoring the need for a stronger retail presence.
- **Manufacturing Footprint and Local Sourcing** - UBBL owns 19 manufacturing plants and operates 13 contract breweries. The company is also working to localize production by partnering with farmers in North India to boost barley production. Additionally, it is making efforts to source machinery locally.
- **Brand and Product Focus** - The company is rejuvenating its flagship Kingfisher brand with product design and packaging enhancements. UBBL is also focusing on the local premium segment, particularly with its Ultra and Ultra Max brands, as part of its broader premiumisation strategy.
- **Financial Outlook and Growth Potential** - UBBL expects steady volume growth of 6-7% over the next 5-6 years, though this will vary by state due to elections and regulatory factors. There is room for margin expansion, with current margins below Heineken's global average of ~14%. However, the company's primary focus remains on value growth and expanding the overall beer category.

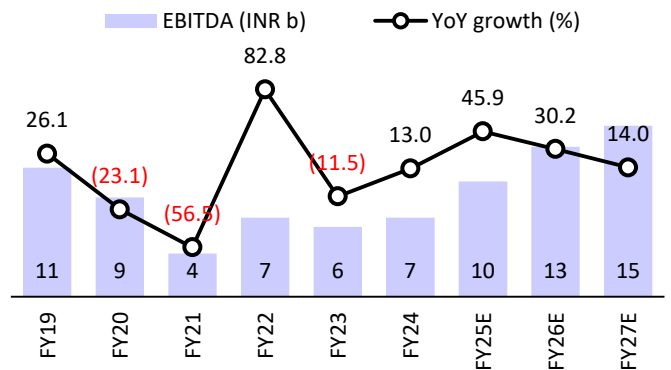
## Key Exhibits

**Exhibit 4: Revenue to post 12% CAGR over FY24-FY27E...**



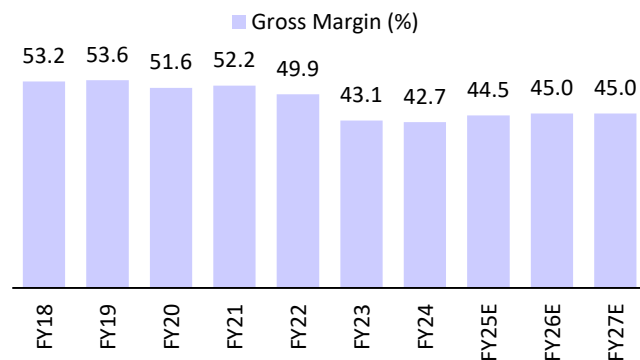
Sources: Company reports, MOFSL

**Exhibit 5: ...along with healthy EBITDA growth**



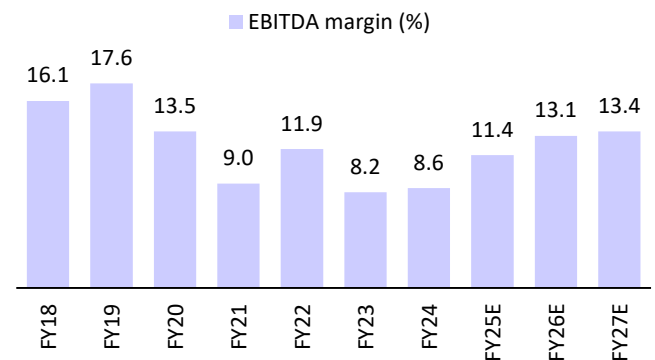
Source: Company reports, MOFSL

**Exhibit 6: Gross margin expected to improve going forward**



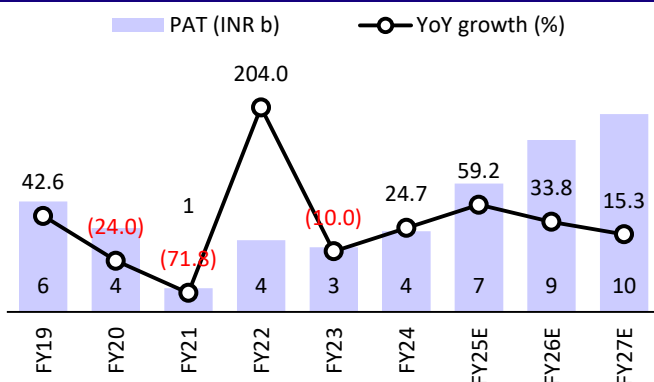
Sources: Company reports, MOFSL

**Exhibit 7: ...along with improvement in EBITDA margin**



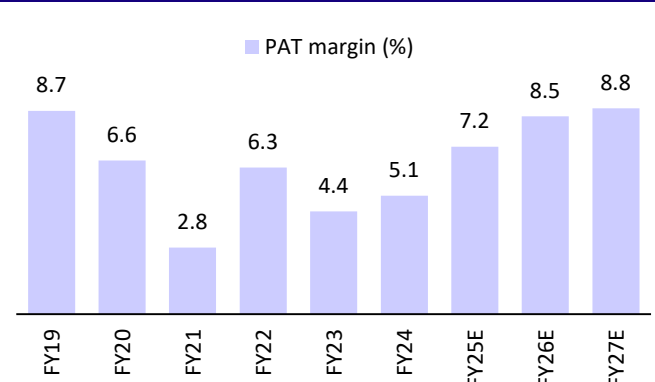
Source: Company reports, MOFSL

**Exhibit 8: PAT to register 35% CAGR over FY24-FY27E**



Sources: Company reports, MOFSL

**Exhibit 9: ...with the improvement in PAT margins**



Source: Company reports, MOFSL

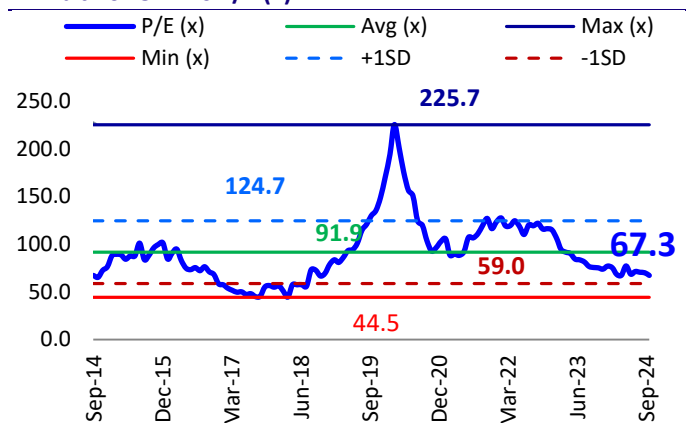
## Valuation and view

- There are numerous challenges for the company, including stiff competition from both local and international brands in India, along with regulatory issues in the industry.
- The company's premium portfolio has been growing strongly, though the pace of growth was slower than that of the other premium brands for the majority of

FY24. We model revenue/EBITDA/ adj. PAT CAGR of 12%/29%/35% over FY24-27.

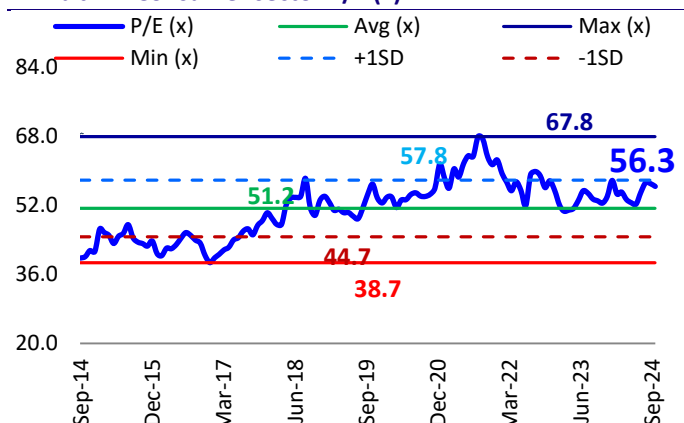
- Despite modeling healthy growth and margin recovery, the stock trades at 86x/64x FY25E/FY26E EPS. We model EBITDA margin recovery in FY25 and FY26, and any delay in margin recovery can potentially lead to earnings cuts. Due to expensive valuations and risk of margin recovery, **we maintain our Sell rating on the stock with a TP of INR1,800 (50x Jun'26E EPS).**

Exhibit 10: UBL's P/E (x)



Source: MOFSL

Exhibit 11: Consumer sector P/E (x)



Source: MOFSL

## Financials and valuations

Consolidated - Income Statement							(INR m)		
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Income from Operations	64,754	65,092	42,431	58,384	74,999	81,227	91,370	1,03,523	1,14,600
Change (%)	15.2	0.5	-34.8	37.6	28.5	8.3	12.5	13.3	10.7
<b>Gross Profit</b>	<b>34,678</b>	<b>33,581</b>	<b>22,137</b>	<b>29,123</b>	<b>32,346</b>	<b>34,703</b>	<b>40,660</b>	<b>46,585</b>	<b>51,570</b>
Margin (%)	53.6	51.6	52.2	49.9	43.1	42.7	44.5	45.0	45.0
<b>EBITDA</b>	<b>11,384</b>	<b>8,758</b>	<b>3,811</b>	<b>6,966</b>	<b>6,162</b>	<b>6,962</b>	<b>10,155</b>	<b>13,221</b>	<b>15,076</b>
Margin (%)	17.6	13.5	9.0	11.9	8.2	8.6	11.1	12.8	13.2
Depreciation	2,599	2,851	2,320	2,172	2,106	2,119	2,095	2,146	2,260
<b>EBIT</b>	<b>8,785</b>	<b>5,907</b>	<b>1,491</b>	<b>4,794</b>	<b>4,056</b>	<b>4,843</b>	<b>8,060</b>	<b>11,075</b>	<b>12,816</b>
Int. and Finance Charges	312	311	227	148	46	69	70	87	103
Other Income	320	93	503	298	494	737	826	908	999
<b>PBT bef. EO Exp.</b>	<b>8,793</b>	<b>5,689</b>	<b>1,766</b>	<b>4,944</b>	<b>4,504</b>	<b>5,511</b>	<b>8,816</b>	<b>11,896</b>	<b>13,713</b>
EO Items	0	0	-72	-263	-248	0	0	0	0
<b>PBT after EO Exp.</b>	<b>8,793</b>	<b>5,689</b>	<b>1,694</b>	<b>4,682</b>	<b>4,257</b>	<b>5,511</b>	<b>8,816</b>	<b>11,896</b>	<b>13,713</b>
Total Tax	3,160	1,406	556	1,284	1,210	1,403	2,275	3,141	3,620
Tax Rate (%)	35.9	24.7	32.8	27.4	28.4	25.5	25.8	26.4	26.4
<b>Reported PAT</b>	<b>5,629</b>	<b>4,277</b>	<b>1,132</b>	<b>3,398</b>	<b>3,047</b>	<b>4,109</b>	<b>6,542</b>	<b>8,756</b>	<b>10,093</b>
<b>Adjusted PAT</b>	<b>5,629</b>	<b>4,277</b>	<b>1,204</b>	<b>3,661</b>	<b>3,295</b>	<b>4,109</b>	<b>6,542</b>	<b>8,756</b>	<b>10,093</b>
Change (%)	42.6	-24.0	-71.8	204.0	-10.0	24.7	59.2	33.8	15.3
Margin (%)	8.7	6.6	2.8	6.3	4.4	5.1	7.2	8.5	8.8

Consolidated - Balance Sheet							(INR m)		
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	265	264	264	264	264	264	264	264	264
Total Reserves	31,572	34,938	35,558	39,087	39,385	41,519	45,025	49,718	55,128
<b>Net Worth</b>	<b>31,838</b>	<b>35,203</b>	<b>35,823</b>	<b>39,351</b>	<b>39,649</b>	<b>41,783</b>	<b>45,290</b>	<b>49,983</b>	<b>55,393</b>
Minority Interest	30	33	38	41	46	52	52	52	52
Total Loans	2,115	1,691	1,154	0	0	0	0	0	0
<b>Capital Employed</b>	<b>34,097</b>	<b>36,927</b>	<b>37,014</b>	<b>39,393</b>	<b>39,695</b>	<b>41,836</b>	<b>45,342</b>	<b>50,035</b>	<b>55,445</b>
Gross Block	39,954	45,077	47,808	49,615	51,102	52,466	54,966	57,966	60,966
Less: Accum. Deprn.	22,425	26,058	28,378	30,550	32,656	34,775	36,870	39,016	41,275
<b>Net Fixed Assets</b>	<b>17,529</b>	<b>19,019</b>	<b>19,430</b>	<b>19,065</b>	<b>18,446</b>	<b>17,691</b>	<b>18,096</b>	<b>18,950</b>	<b>19,691</b>
Goodwill on Consolidation	242	242	65	65	65	65	65	65	65
Capital WIP	1,899	1,991	1,288	1,099	771	1,727	1,095	1,119	1,124
<b>Total Investments</b>	<b>3</b>	<b>3</b>	<b>61</b>	<b>84</b>	<b>81</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>34,171</b>	<b>34,254</b>	<b>37,679</b>	<b>39,182</b>	<b>43,442</b>	<b>50,972</b>	<b>52,217</b>	<b>61,217</b>	<b>64,103</b>
Inventory	10,325	10,939	11,367	9,358	14,278	13,687	16,352	17,115	19,933
Account Receivables	15,110	13,504	13,950	12,549	14,073	23,138	14,411	28,700	19,652
Cash and Bank Balance	462	786	4,693	9,097	3,953	2,142	9,089	2,543	11,145
Loans and Advances	8,275	9,025	7,669	8,178	11,138	12,004	12,364	12,859	13,373
<b>Curr. Liability &amp; Prov.</b>	<b>19,747</b>	<b>18,582</b>	<b>21,507</b>	<b>20,101</b>	<b>23,109</b>	<b>28,698</b>	<b>26,210</b>	<b>31,395</b>	<b>29,617</b>
Account Payables	5,902	5,450	6,181	6,380	7,170	9,485	6,036	10,414	7,796
Provisions	13,845	13,131	15,326	13,721	15,939	19,214	20,174	20,981	21,821
<b>Net Current Assets</b>	<b>14,424</b>	<b>15,672</b>	<b>16,171</b>	<b>19,081</b>	<b>20,333</b>	<b>22,274</b>	<b>26,006</b>	<b>29,821</b>	<b>34,486</b>
<b>Appl. of Funds</b>	<b>34,097</b>	<b>36,927</b>	<b>37,014</b>	<b>39,393</b>	<b>39,695</b>	<b>41,836</b>	<b>45,342</b>	<b>50,035</b>	<b>55,445</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>21.3</b>	<b>16.2</b>	<b>4.6</b>	<b>13.8</b>	<b>12.5</b>	<b>15.5</b>	<b>24.7</b>	<b>33.1</b>	<b>38.2</b>
Cash EPS	31.1	27.0	13.3	22.1	20.4	23.6	32.7	41.2	46.7
BV/Share	120.4	133.1	135.5	148.8	150.0	158.0	171.3	189.0	209.5
DPS	2.5	2.5	0.5	10.5	7.5	10.0	9.9	13.2	15.3
Payout (%)	11.7	15.5	11.7	81.7	65.1	64.4	40.0	40.0	40.0
<b>Valuation (x)</b>									
P/E	100.0	131.7	467.6	153.8	170.9	137.1	86.1	64.3	55.8
Cash P/E	68.4	79.0	159.8	96.6	104.3	90.4	65.2	51.7	45.6
P/BV	17.7	16.0	15.7	14.3	14.2	13.5	12.4	11.3	10.2
EV/Sales	8.7	8.7	13.2	9.5	7.5	6.9	6.1	5.4	4.8
EV/EBITDA	49.6	64.4	146.9	79.5	90.7	80.6	54.6	42.4	36.6
Dividend Yield (%)	0.1	0.1	0.0	0.5	0.4	0.5	0.5	0.6	0.7
<b>Return Ratios (%)</b>									
RoE	19.2	12.8	3.4	9.7	8.3	10.1	15.0	18.4	19.2
RoCE	18.2	12.8	3.6	9.7	8.2	10.2	15.1	18.5	19.3
RoIC	18.5	13.5	3.1	11.6	9.1	9.9	16.4	20.0	21.1
<b>Working Capital Ratios</b>									
Asset Turnover (x)	1.9	1.8	1.1	1.5	1.9	1.9	2.0	2.1	2.1
Inventory (Days)	52	60	96	65	58	63	60	59	59
Debtor (Days)	85	80	118	83	65	84	75	76	77
Creditor (Days)	31	32	50	39	33	37	31	29	29
Working Cap. Turnover (Days)	79	83	99	62	80	90	68	96	74
<b>Leverage Ratio (x)</b>									
Current Ratio	1.7	1.8	1.8	1.9	1.9	1.8	2.0	1.9	2.2
Interest Cover Ratio	28.2	19.0	6.6	32.4	87.4	70.3	115.8	126.9	124.8
Debt/Equity	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### Consolidated - Cash Flow

Statement	(INR m)								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	8,793	5,689	1,694	4,944	4,173	5,511	8,816	11,896	13,713
Depreciation	2,599	2,851	2,320	2,172	2,106	2,119	2,095	2,146	2,260
Interest & Finance Charges	306	305	224	146	44	67	70	87	103
Direct Taxes Paid	-3,898	-1,903	-823	-1,301	-1,397	-1,388	-1,706	-2,355	-2,715
(Inc)/Dec in WC	-1,101	-2,196	2,976	2,994	-6,160	-5,166	9,151	-19,925	8,334
<b>CF from Operations</b>	<b>6,699</b>	<b>4,746</b>	<b>6,392</b>	<b>8,956</b>	<b>-1,234</b>	<b>1,144</b>	<b>18,426</b>	<b>-8,151</b>	<b>21,694</b>
Others	-269	332	-189	40	39	-370	0	0	0
<b>CF from Operating incl EO</b>	<b>6,430</b>	<b>5,078</b>	<b>6,203</b>	<b>8,996</b>	<b>-1,196</b>	<b>773</b>	<b>18,426</b>	<b>-8,151</b>	<b>21,694</b>
(Inc)/Dec in FA	-4,366	-4,033	-1,498	-1,728	-1,543	-1,907	-2,480	-2,980	-2,980
<b>Free Cash Flow</b>	<b>2,064</b>	<b>1,045</b>	<b>4,705</b>	<b>7,268</b>	<b>-2,739</b>	<b>-1,134</b>	<b>15,946</b>	<b>-11,131</b>	<b>18,714</b>
(Pur)/Sale of Investments	0	0	0	13	3	0	0	0	0
Others	114	231	86	-10	515	625	-6,065	7,862	-5,722
<b>CF from Investments</b>	<b>-4,252</b>	<b>-3,802</b>	<b>-1,412</b>	<b>-1,726</b>	<b>-1,025</b>	<b>-1,282</b>	<b>-8,545</b>	<b>4,882</b>	<b>-8,702</b>
Issue of Shares	0	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-1,006	115	61	-2,551	-100	0	0	0	0
Interest Paid	-313	-268	-281	-181	-45	-19	-70	-87	-103
Dividend Paid	-640	-800	-663	-134	-2,779	-1,985	-2,617	-3,502	-4,037
Others	0	0	0	0	0	701	-247	312	-251
<b>CF from Fin. Activity</b>	<b>-1,959</b>	<b>-952</b>	<b>-884</b>	<b>-2,867</b>	<b>-2,923</b>	<b>-1,302</b>	<b>-2,933</b>	<b>-3,277</b>	<b>-4,391</b>
<b>Inc/Dec of Cash</b>	<b>219</b>	<b>324</b>	<b>3,907</b>	<b>4,404</b>	<b>-5,144</b>	<b>-1,811</b>	<b>6,947</b>	<b>-6,546</b>	<b>8,601</b>
Opening Balance	242	462	786	4,693	9,097	3,953	2,142	9,089	2,543
<b>Closing Balance</b>	<b>462</b>	<b>786</b>	<b>4,693</b>	<b>9,097</b>	<b>3,953</b>	<b>2,142</b>	<b>9,089</b>	<b>2,543</b>	<b>11,145</b>

E: MOFSL Estimates

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

NOTES



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

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

#### Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

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

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

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

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

Nainesh Rajani

Email: [nainesh.raiani@motilaloswal.com](mailto:nainesh.raiani@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 dp@grievances@motilaloswal.com.