

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USD\$b)	355.3 / 4.2
52-Week Range (INR)	2844 / 1778
1, 6, 12 Rel. Per (%)	-6/-18/-33
12M Avg Val (INR M)	950

#### Financials & Valuations (INR b)

Y/E Dec	FY25	FY26E	FY27E
Sales	210.3	235.2	263.6
EBITDA	23.8	30.1	38.6
Adj. PAT	13.4	16.8	22.7
EBITDA Margin (%)	11.3	12.8	14.7
Adj. EPS (INR)	71.2	89.1	120.9
EPS Gr. (%)	-28.3	25.2	35.6
BV/Sh. (INR)	972	1,054	1,167

#### Ratios

Net D:E	-0.2	-0.2	-0.2
RoE (%)	7.8	8.8	10.9
RoCE (%)	8.0	9.1	11.1
Payout (%)	5.8	8.4	8.3

#### Valuations

P/E (x)	26.6	21.2	15.7
P/BV (x)	1.9	1.8	1.6
EV/EBITDA(x)	13.0	10.2	7.5
EV/ton (USD)	91	82	78
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	-1.2	1.6	5.1

#### Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	56.7	56.7	56.7
DII	25.1	24.8	24.8
FII	4.8	5.1	6.2
Others	13.4	13.4	12.3

FII includes depository receipts

**CMP: INR1,892 TP: INR2,400 (+27%) BUY**

### Earnings beat; group-level synergy yet to materialize

#### Land acquired in the western region for strategic growth

- ACC's 4QFY25 EBITDA declined 4% YoY to INR8.0b (15% beat), led by higher-than-estimated volume and realization. EBITDA/t declined ~16% YoY to INR673 (est. INR608). OPM contracted 2.2pp YoY to ~13% (est. ~12%). Adj. PAT increased ~4% YoY to INR5.1b (26% beat).
- ACC acquired land parcels in the western part of India. Management plans to set up grinding units as well as acquire coal mines. This land is near to its Chanda plant in Maharashtra. The investment may be made by either ACC or ACEM, but the benefits are shared through the MSA. Further, ACC invested ~INR7.5b in GCFC wagons and ~INR5.0b in grinding units, apart from the WHRS units at Chanda and Wadi-2 line.
- We broadly retain our FY26/FY27 earnings estimates. ACC trades at 10x/8x FY26E/FY27E EV/EBITDA and USD82/USD78 EV/t. We value the stock at 10x FY27E EV/EBITDA to arrive at our TP of INR2,400. **Reiterate BUY.**

#### Sales volume above estimate; EBITDA/t at INR673 (-16% YoY)

- Revenue/EBITDA/PAT stood at INR60.1b/INR8.0b/INR5.1b (+11%/-4%/+4% YoY and +6%/+15%/+26% vs. our estimates) in 4QFY25. Sales volumes were up 14% YoY at 11.9mt (+4% vs. our estimate). Cement realization was down 3% YoY (up 2% QoQ/+2% vs. estimate) at INR4,696/t.
- Variable cost/t increased ~5% YoY (-1% QoQ; +2% vs. est.), while freight cost/other expenses per ton declined ~8%/6% YoY. Overall opex/t remained flat YoY (+1% vs. estimate). OPM contracted 2.2pp YoY at ~13%, and EBITDA/t declined 16% YoY to INR673.
- In FY25, revenue/EBITDA/Adj. PAT stood at INR210.3b/INR23.8b/ INR13.4b (up 5%/down 22%/28% YoY). Sales volume rose ~14% YoY, while realization declined 8% YoY. EBITDA/t was down 32% YoY at INR565. OCF declined ~43% YoY to INR17.1b in FY25 due to an increase in WC. Capex stood at INR21.3b in FY25 vs INR13.6b in FY24. Free cash outflow stood at INR4.2b in FY25 vs free cash inflow of INR16.2b in FY24.

#### Key highlights from the management commentary

- Operations at a few old clinker units (Bargarh, Chaibasa, and Wadi-1) have been unfeasible, and hence, impairment has been provided. Further, these units are not being used for clinker production. Clinker capacity was 1mtpa each at Wadi-1 and Bargarh and 0.6mtpa at Chaibasa. The Bargarh unit is now being used for grinding. It is in the process of dismantling the Wadi-1 clinker unit. These assets can still be operated based on the coal pricing scenario.
- The brownfield expansion at Sindri, Jharkhand (GU) of 1.6mtpa has been at an advanced stage and is likely to be commissioned in 1QFY26. Further, a greenfield expansion at Salai Banwa, Uttar Pradesh (GU) is likely to be commissioned in 2QFY26.
- Fuel consumption cost stood at INR1.47/kcal vs. INR1.91/INR1.68 in 4QFY24/3QFY25. The WHRS share stood at 13.5% vs. 8.2%/10.0% YoY/QoQ. Overall green power share increased to 22.5% vs. 18.7% in 3QFY25. The AFR share increased to 11.0% vs. 9.6% in 3QFY25.

**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.

### Valuation and view

- ACC reported higher-than-estimated operating performance. While it continued to post higher volume growth, aided by higher MSA volumes, lower realization vs. historical average weighed on margins. Synergies between the cement business and the group are yet to be played out. Further, we are closely monitoring the EBITDA/t trend of the company, as over the last few quarters reported earnings were more volatile vs. peers.
- We estimate a CAGR of 27%/30% for EBITDA/PAT over FY25-27, albeit on a low base. We estimate a volume CAGR of ~10% over FY25-27. Additionally, EBITDA/t is estimated to improve to INR650/INR760 in FY26/FY27 vs. INR565 in FY25. ACC trades inexpensively at 10x/8x FY26E/FY27E EV/EBITDA. We value the stock at 10x FY27E EV/EBITDA to arrive at our revised TP of INR2,400. **Reiterate BUY.**

### Standalone quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Cement Sales (mt)	9.40	8.10	8.88	10.44	10.20	9.30	10.70	11.90	36.9	42.1	11.47	4
Change (YoY %)	23.8	18.2	15.3	24.0	8.5	14.8	20.5	14.0	19.5	14.2	9.9	
<b>Net Sales</b>	<b>52.0</b>	<b>44.3</b>	<b>49.2</b>	<b>54.0</b>	<b>51.6</b>	<b>46.1</b>	<b>52.6</b>	<b>60.1</b>	<b>199.5</b>	<b>210.3</b>	<b>56.7</b>	6
Change (YoY %)	16.4	11.2	8.4	12.7	(0.9)	3.9	6.9	11.3	(10.2)	5.4	5.1	
<b>EBITDA</b>	<b>7.7</b>	<b>5.5</b>	<b>9.0</b>	<b>8.4</b>	<b>6.8</b>	<b>4.3</b>	<b>4.7</b>	<b>8.0</b>	<b>30.6</b>	<b>23.8</b>	<b>7.0</b>	15
Margin (%)	14.8	12.4	18.4	15.5	13.1	9.3	9.0	13.3	15.3	11.3	12.3	102
Change (YoY %)	80.8	3,456.3	138.7	79.5	(11.9)	(21.7)	(47.7)	(4.4)	140.5	(22.2)	(16.6)	
Depreciation	2.0	2.1	2.3	2.3	2.2	2.3	2.5	2.5	8.8	9.6	2.6	(1)
Interest	0.3	0.3	0.3	0.7	0.3	0.3	0.3	0.1	1.5	1.1	0.3	(55)
Other Income	0.8	2.1	0.8	1.2	0.7	1.5	1.1	0.6	4.9	4.0	1.0	(36)
<b>PBT before EO Item</b>	<b>6.2</b>	<b>5.2</b>	<b>7.2</b>	<b>6.6</b>	<b>4.9</b>	<b>3.2</b>	<b>3.1</b>	<b>6.0</b>	<b>25.2</b>	<b>17.2</b>	<b>5.1</b>	17
EO Income/(Expense)	0.0	0.0	0.0	0.0	0.0	0.0	11.7	2.6	0.0	14.3	0.0	
<b>PBT after EO Item</b>	<b>6.2</b>	<b>5.2</b>	<b>7.2</b>	<b>6.6</b>	<b>4.9</b>	<b>3.2</b>	<b>14.8</b>	<b>8.6</b>	<b>25.2</b>	<b>31.5</b>	<b>5.1</b>	68
Tax	1.6	1.3	1.9	-0.9	1.3	0.8	3.9	1.2	3.9	7.2	1.0	
Rate (%)	25.5	25.5	26.6	(13.2)	25.6	26.5	26.2	14.4	15.7	22.9	20.0	
<b>Reported PAT</b>	<b>4.6</b>	<b>3.8</b>	<b>5.3</b>	<b>7.5</b>	<b>3.7</b>	<b>2.3</b>	<b>10.9</b>	<b>7.4</b>	<b>21.2</b>	<b>24.2</b>	<b>4.1</b>	80
<b>Adjusted PAT</b>	<b>4.6</b>	<b>3.8</b>	<b>5.3</b>	<b>4.9</b>	<b>3.7</b>	<b>2.3</b>	<b>2.3</b>	<b>5.1</b>	<b>18.7</b>	<b>13.4</b>	<b>4.1</b>	26
Margin (%)	8.9	8.7	10.7	9.1	7.1	5.1	4.3	8.5	9.4	6.4	7.2	
Change (YoY %)	108.8	NM	212.1	72.0	(21.1)	(39.1)	(57.3)	4.5	88.7	(28.3)	(16.9)	

Source: MOFSL, Company

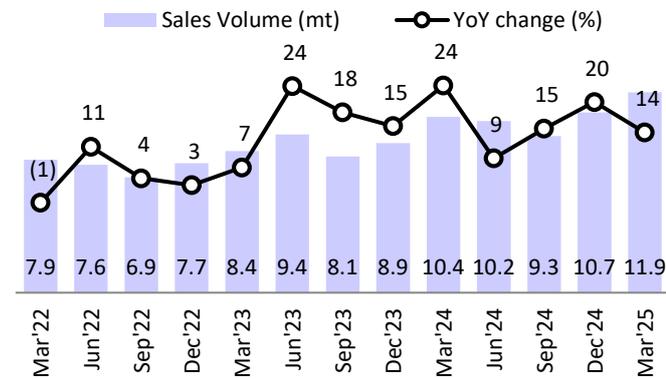
### Per ton analysis, including RMC (INR/t)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Blended Realization	5,533	5,475	5,538	5,171	5,054	4,955	4,915	5,049	5,410	4,996	4,945	2
Change (YoY %)	(6.0)	(5.9)	(6.0)	(9.1)	(8.7)	(9.5)	(11.2)	(2.3)	(6.0)	(7.7)	(4.4)	
Raw Material	1,596	1,598	1,512	1,746	1,730	1,942	2,043	2,095	1,579	1,960	1,947	8
Staff Cost	210	240	201	157	157	192	182	145	199	168	161	(10)
Power and fuel	1,196	1,093	1,141	931	970	830	786	720	1,083	822	801	(10)
Freight	1,245	1,177	1,084	1,058	1,075	1,020	971	970	1,136	1,007	985	(1)
Other expenditure	469	689	583	477	458	508	491	447	584	474	444	1
Total Expenditure	4,715	4,798	4,521	4,369	4,391	4,493	4,474	4,377	4,581	4,430	4,337	1
EBITDA	818	677	1,017	802	664	462	442	673	829	565	608	11

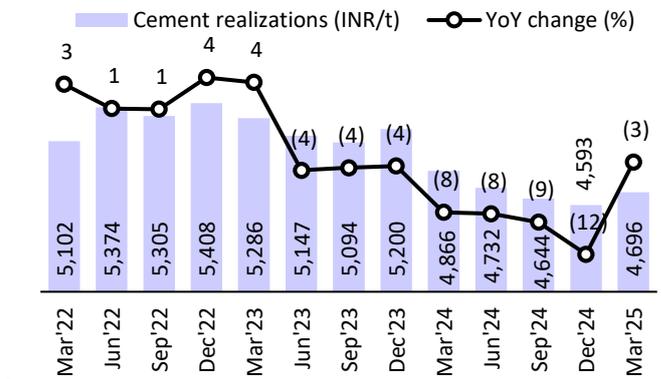
Source: MOSFL, Company

## Key exhibits

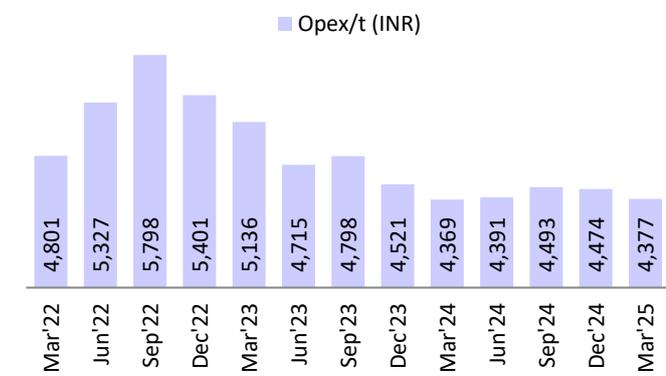
**Exhibit 1: Sales volume grew 14% YoY**



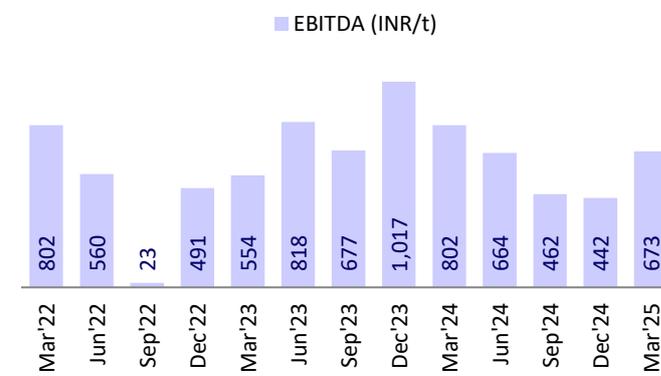
**Exhibit 2: Cement realization was down 3% YoY**



**Exhibit 3: Opex/t remained flat YoY (-2% QoQ)**



**Exhibit 4: EBITDA/t declined 16% YoY to INR673**

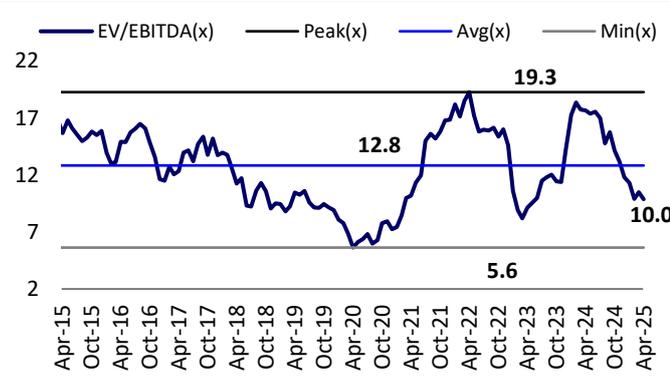


**Exhibit 5: Key performance indicators (including the RMC business)**

INR/t	Mar'25	Mar'24	YoY (%)	Dec'24	QoQ (%)
<b>Blended realization</b>	<b>5,049</b>	<b>5,171</b>	<b>(2)</b>	<b>4,915</b>	<b>3</b>
Cement realization	4,696	4,866	(3)	4,593	2
Raw materials	2,095	1,746	20	2,043	3
Staff cost	145	157	(7)	182	(20)
Power	720	931	(23)	786	(8)
Freight	970	1,058	(8)	971	(0)
Other expenditure	447	477	(6)	491	(9)
<b>Total cost</b>	<b>4,377</b>	<b>4,369</b>	<b>0</b>	<b>4,474</b>	<b>(2)</b>
<b>EBITDA</b>	<b>673</b>	<b>802</b>	<b>(16)</b>	<b>442</b>	<b>52</b>

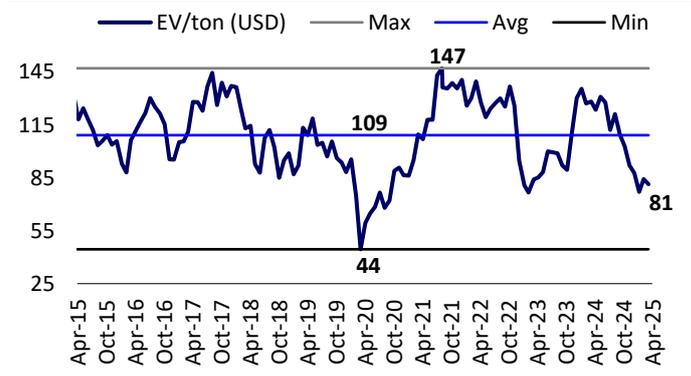
Source: Company, MOFSL

**Exhibit 6: One-year forward EV/EBITDA trend**



Source: Company, MOFSL

**Exhibit 7: One-year forward EV/t trend**



Source: Company, MOFSL

## Financials and valuations

Income Statement							(INR m)	
Y/E December/March	CY19	CY20	CY21	FY23*	FY24	FY25	FY26E	FY27E
<b>Net Sales</b>	<b>1,56,567</b>	<b>1,37,845</b>	<b>1,61,514</b>	<b>2,22,100</b>	<b>1,99,522</b>	<b>2,10,313</b>	<b>2,35,150</b>	<b>2,63,558</b>
Change (%)	5.8	(12.0)	17.2	37.5	(10.2)	5.4	11.8	12.1
<b>EBITDA</b>	<b>24,095</b>	<b>24,811</b>	<b>30,004</b>	<b>19,190</b>	<b>30,576</b>	<b>23,794</b>	<b>30,107</b>	<b>38,638</b>
Change (%)	17.8	3.0	20.9	(36.0)	59.3	(22.2)	26.5	28.3
Margin (%)	15.4	18.0	18.6	8.6	15.3	11.3	12.8	14.7
Depreciation	6,030	6,353	5,973	8,351	8,763	9,562	9,757	10,584
Int. and Fin. Charges	862	570	546	772	1,538	1,080	1,210	1,357
Other Income – Rec.	3,112	2,040	2,048	3,372	4,915	4,008	3,200	3,600
<b>PBT Before EO Item</b>	<b>20,315</b>	<b>19,927</b>	<b>25,533</b>	<b>13,439</b>	<b>25,191</b>	<b>17,160</b>	<b>22,339</b>	<b>30,297</b>
EO Income/(Expense)	-	(3,049)	(929)	(1,618)	-	14,294	-	-
<b>PBT After EO Item</b>	<b>20,315</b>	<b>16,878</b>	<b>24,604</b>	<b>11,821</b>	<b>25,191</b>	<b>31,454</b>	<b>22,339</b>	<b>30,297</b>
Tax	6,726	2,728	6,401	3,122	3,948	7,208	5,585	7,574
Tax Rate (%)	33.1	16.2	26.0	26.4	15.7	22.9	25.0	25.0
<b>Reported PAT</b>	<b>13,589</b>	<b>14,149</b>	<b>18,203</b>	<b>8,699</b>	<b>21,242</b>	<b>24,246</b>	<b>16,755</b>	<b>22,723</b>
<b>Adjusted PAT</b>	<b>13,589</b>	<b>14,746</b>	<b>18,899</b>	<b>9,896</b>	<b>18,670</b>	<b>13,387</b>	<b>16,755</b>	<b>22,723</b>
Change (%)	35.1	8.5	28.2	(47.6)	88.7	(28.3)	25.2	35.6
Margin (%)	8.7	10.7	11.7	4.5	9.4	6.4	7.1	8.6

Balance Sheet							(INR m)	
Y/E December/March	CY19	CY20	CY21	FY23*	FY24	FY25	FY26E	FY27E
Share Capital	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Fully Diluted Capital	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Reserves	1,13,333	1,24,735	1,40,404	1,38,550	1,58,340	1,80,829	1,96,174	2,17,487
<b>Net Worth</b>	<b>1,15,213</b>	<b>1,26,614</b>	<b>1,42,284</b>	<b>1,40,430</b>	<b>1,60,220</b>	<b>1,82,709</b>	<b>1,98,054</b>	<b>2,19,367</b>
Loans	0	0	0	0	0	0	0	0
Deferred Tax Liability	6,422	3,762	3,827	4,331	4,543	4,733	4,733	4,733
<b>Capital Employed</b>	<b>1,21,635</b>	<b>1,30,376</b>	<b>1,46,112</b>	<b>1,44,761</b>	<b>1,64,762</b>	<b>1,87,442</b>	<b>2,02,787</b>	<b>2,24,099</b>
Gross Block	93,972	98,093	1,04,708	1,20,694	1,46,866	1,61,689	1,77,689	1,93,689
Less: Accum. Depn.	24,059	31,507	37,480	45,831	54,593	64,155	73,913	84,497
<b>Net Fixed Assets</b>	<b>69,914</b>	<b>66,586</b>	<b>67,228</b>	<b>74,863</b>	<b>92,273</b>	<b>97,534</b>	<b>1,03,776</b>	<b>1,09,192</b>
Capital WIP	4,353	5,453	12,121	16,831	9,720	16,159	15,159	14,159
Investments – Trade	37	37	37	37	7,624	14,585	14,585	14,585
Investments in subsidiaries	2,265	2,169	1,890	1,890	6,117	12,834	12,834	12,834
<b>Curr. Assets, Loans, and Adv.</b>	<b>94,252</b>	<b>1,07,014</b>	<b>1,27,914</b>	<b>1,10,464</b>	<b>1,13,263</b>	<b>1,08,118</b>	<b>1,21,566</b>	<b>1,47,440</b>
Inventory	11,410	9,005	12,733	16,235	18,429	18,950	21,241	23,818
Account Receivables	6,284	4,515	4,624	8,747	8,412	11,716	13,132	14,726
Cash and Bank Balance	45,672	59,219	74,345	32,062	37,536	15,165	19,452	36,053
Others	30,887	34,275	36,212	53,420	48,886	62,287	67,741	72,844
<b>Curr. Liab. and Prov.</b>	<b>49,186</b>	<b>50,883</b>	<b>63,078</b>	<b>59,324</b>	<b>64,235</b>	<b>61,788</b>	<b>65,134</b>	<b>74,111</b>
Account Payables	14,710	14,163	18,992	14,922	19,142	15,995	19,075	22,035
Other Liabilities	28,478	30,189	33,868	35,632	30,802	28,050	30,294	33,323
Provisions	5,998	6,531	10,219	8,770	14,291	17,743	15,765	18,753
<b>Net Current Assets</b>	<b>45,067</b>	<b>56,131</b>	<b>64,835</b>	<b>51,141</b>	<b>49,028</b>	<b>46,331</b>	<b>56,432</b>	<b>73,329</b>
<b>Application of Funds</b>	<b>1,21,635</b>	<b>1,30,376</b>	<b>1,46,112</b>	<b>1,44,761</b>	<b>1,64,762</b>	<b>1,87,442</b>	<b>2,02,787</b>	<b>2,24,099</b>

Source: Company, MOFSL; \*Note: FY23 is a 15-month period as the company changed its accounting year-end from December to March

## Financials and valuations

### Ratios

Y/E December/March	CY19	CY20	CY21	FY23*	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>72.3</b>	<b>78.4</b>	<b>100.5</b>	<b>52.6</b>	<b>99.3</b>	<b>71.2</b>	<b>89.1</b>	<b>120.9</b>
Cash EPS	104.4	112.2	132.3	97.1	145.9	122.1	141.0	177.2
BV/Share	613	674	757	747	852	972	1,054	1,167
DPS	14.0	14.0	58.0	9.3	7.5	7.5	7.5	10.0
Payout (%)	19.3	18.6	59.9	20.0	6.6	5.8	8.4	8.3
<b>Valuation (x)</b>								
P/E ratio	26.2	24.1	18.8	36.0	19.1	26.6	21.2	15.7
Cash P/E ratio	18.1	16.9	14.3	19.5	13.0	15.5	13.4	10.7
EV/Sales ratio	2.0	2.1	1.7	1.4	1.5	1.5	1.3	1.1
EV/EBITDA ratio	12.7	11.7	9.0	16.0	9.8	13.0	10.2	7.5
P/BV ratio	3.1	2.8	2.5	2.5	2.2	1.9	1.8	1.6
Dividend Yield	0.7	0.7	3.1	0.5	0.4	0.4	0.4	0.5
EV/t (USD-Cap)	108	103	91	100	88	91	82	78
<b>Return Ratios (%)</b>								
RoE	12.3	12.2	14.1	7.0	12.4	7.8	8.8	10.9
RoCE	12.1	13.6	14.0	7.2	14.6	8.0	9.1	11.1
RoIC	16.2	22.6	28.4	10.3	17.9	8.7	10.3	13.4
<b>Working Capital Ratios</b>								
Debtor (Days)	15	12	10	14	15	20	20	20
Asset Turnover ratio (x)	0.8	0.9	0.9	0.7	0.8	0.9	0.9	0.9
<b>Leverage Ratio</b>								
Debt/Equity ratio (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### Cash Flow Statement

(INR m)

Y/E December/March	CY19	CY20	CY21	FY23*	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	20,315	16,878	24,604	11,821	25,191	31,454	22,339	30,297
Depreciation	6,030	6,353	5,973	8,351	8,763	9,562	9,757	10,584
Interest and Finance Charges	0	570	0	-1,835	-3,554	-3,489	0	0
Direct Taxes Paid	(4,462)	(7,064)	(2,849)	(4,027)	(1,748)	(845)	(5,585)	(7,574)
(Inc.)/Dec. in WC	601	5,419	588	(26,697)	1,153	(19,619)	(5,815)	(297)
<b>CF from Operations</b>	<b>22,484</b>	<b>22,156</b>	<b>28,316</b>	<b>-12,388</b>	<b>29,804</b>	<b>17,063</b>	<b>20,697</b>	<b>33,010</b>
Others	-	-	-	-	-	-	-	-
<b>CF from Operations incl. EO</b>	<b>22,484</b>	<b>22,156</b>	<b>28,316</b>	<b>-12,388</b>	<b>29,804</b>	<b>17,063</b>	<b>20,697</b>	<b>33,010</b>
(Inc.)/Dec. in FA	(4,935)	(7,252)	(11,509)	(19,788)	(13,560)	(21,261)	(15,000)	(15,000)
<b>Free Cash Flow</b>	<b>17,549</b>	<b>14,904</b>	<b>16,808</b>	<b>-32,175</b>	<b>16,244</b>	<b>-4,199</b>	<b>5,697</b>	<b>18,010</b>
(Pur.)/Sale of Investments	1,651	1,886	1,619	(26,632)	1,861	(13,678)	-	-
Others	-	-	-	-	-	-	-	-
<b>CF from Investments</b>	<b>(3,283)</b>	<b>(5,366)</b>	<b>(9,890)</b>	<b>(46,420)</b>	<b>(11,699)</b>	<b>(34,939)</b>	<b>(15,000)</b>	<b>(15,000)</b>
Issue of Shares	0	0	0	0	0	0	0	0
Inc./Dec. in Debt	0	0	0	0	0	0	0	0
Interest Paid	(572)	(399)	(316)	(596)	(1,424)	-	0	0
Dividend Paid	(2,629)	(2,629)	(2,629)	(10,892)	(1,753)	(1,410)	(1,410)	(1,410)
Others	(540)	(246)	(360)	(889)	(1,245)	-	-	-
<b>CF from Fin. Activity</b>	<b>(3,742)</b>	<b>(3,274)</b>	<b>(3,305)</b>	<b>(12,377)</b>	<b>(4,423)</b>	<b>(1,410)</b>	<b>(1,410)</b>	<b>(1,410)</b>
<b>Inc./Dec. in Cash</b>	<b>15,459</b>	<b>13,516</b>	<b>15,121</b>	<b>-71,185</b>	<b>13,682</b>	<b>-19,287</b>	<b>4,287</b>	<b>16,600</b>
Opening Balance	29,959	45,477	58,908	74,029	32,062	34,452	15,165	19,453
<b>Closing Balance</b>	<b>45,418</b>	<b>58,993</b>	<b>74,029</b>	<b>32,062</b>	<b>37,536</b>	<b>15,165</b>	<b>19,453</b>	<b>36,053</b>

Source: Company, MOFSL; \*Note: FY23 is a 15-month period as the company changed its accounting year-end from December to March

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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

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Nainesh Rajani  
Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)  
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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

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