

Birla Corporation

Estimate change	
TP change	
Rating change	

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	105.1 / 1.3
52-Week Range (INR)	1802 / 1061
1, 6, 12 Rel. Per (%)	-13/-31/-12
12M Avg Val (INR M)	240

Financial Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	92.8	102.6	111.2
EBITDA	12.8	17.2	19.6
Adj. PAT	3.2	6.3	8.1
EBITDA Margin (%)	13.7	16.7	17.7
Adj. EPS (INR)	42.1	82.2	105.4
EPS Gr. (%)	-22.0	95.0	28.3
BV/Sh. (INR)	897	967	1,060

Ratios			
Net D:E	0.4	0.3	0.3
RoE (%)	4.8	8.8	10.4
RoCE (%)	5.0	7.3	8.5
Payout (%)	28	15	11

Valuations			
P/E (x)	32.3	16.6	12.9
P/BV (x)	1.5	1.4	1.3
EV/EBITDA(x)	9.7	6.7	5.8
EV/ton (USD)	75	65	61
Div. Yield (%)	0.9	0.9	0.9

Shareholding pattern (%)			
As On	Jun-24	Mar-24	Jun-23
Promoter	62.9	62.9	62.9
DII	16.3	15.6	15.8
FII	6.0	6.8	7.2
Others	14.9	14.7	14.1

FII Includes depository receipts

CMP: INR1,365 **TP: INR1,850 (+36%)** **Buy**

Earnings miss due to lower realizations and volumes

Reiterates capacity target of 25mtpa by FY27E

- Birla Corporation (BCORP)'s 1QFY25 performance was below our estimates due to lower-than-estimated realizations and volumes. The consol. EBITDA declined 13% YoY to INR2.6b (vs. est. INR3.5b) and EBITDA/t declined 13% YoY to INR590 (est. INR758). OPM dipped 60bp YoY to 11.8% (est. 14.2%) for the quarter. Adj. PAT stood at INR326m vs. estimated INR942m for 1QFY25.
- Management indicated that general elections and extended heat waves have resulted in demand slowdown. Cement prices have seen corrections due to low demand and aggression from the market leaders. Currently, it is increasing capacity in its core market (eastern UP) by expanding capacity at the Kundanganj plant. It is likely to be commissioned in 1HFY26. BCORP reiterated its capacity target of 25mtpa by FY27E vs. 20mtpa currently.
- We cut our EBITDA estimate by 19% for FY25 and 4-3% for FY26/27 due to the underperformance in 1Q, cautious commentary by the management on demand and pricing, and rising competitive intensity in its core markets. We value the stock at 9x Jun'26E EV/EBITDA to arrive at our revised TP of INR1,850 (earlier 1,970). **Reiterate BUY.**

Volume down 1% YoY; Cement realization/t declines 7% YoY/QoQ each

- Consol. revenue/EBITDA/adj. PAT stood at INR21.9b/INR2.6b/INR326m (down 9%/13%/45% YoY and down 11%/26%/65% vs. our estimates) in 1QFY25. Sales volumes declined 1% YoY to 4.38mt. Cement realization declined 7% YoY/QoQ to INR4,843.
- Opex/t declined 8% YoY (4% below our estimate), driven by a 21% decline in variable costs. Other expense/t rose 5% YoY, while freight cost/t remained flat YoY. OPM was down 60bp YoY at 11.8% and EBITDA/t fell 13% YoY to INR590. Depreciation increased 4% YoY, while interest costs declined 12% YoY. 'Other income' grew 5% YoY. ETR stood at 25.9% vs. 21.7% in 1QFY24.

Highlights from the management commentary

- The dip in realization was due to a change in market mix and a sharp correction in cement prices in BCORP's core markets (Rajasthan and Uttar Pradesh). The current avg. cement price is down ~1.5-2.0% vs. Jun'23-exit.
- Fuel consumption costs stood at INR1.48/Kcal vs. INR1.56/Kcal in 4QFY24. It expects a reduction of up to INR0.05/kcal in the current quarter.
- SGST incentive accrued at INR210m in 1QFY25 (mainly from the Mukutban plant). It maintains its full-year incentive guidance of INR1.1b in FY25.

Valuation and View

- We estimate a consol. revenue/EBITDA/PAT CAGR of 5%/11%/25% over FY24-27. We estimate BCORP's net debt to decline to INR21.5b by FY27 from INR30.0b in FY24 and net debt-to-EBITDA at 1.1x by FY27 vs. 2.1x in FY24.
- BCORP trades inexpensively at 6.7x FY26E EV/EBITDA, at a lower valuation than its similar-sized peers. We reiterate our BUY rating with a revised TP of INR1,850 (vs. earlier 1,970), based on 9x Jun'26E EV/EBITDA.

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.

Consolidated performance (INR b)												
Y/E March	FY24				FY25				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Cement Sales (MT)	4.4	4.2	4.2	4.9	4.4	4.2	4.5	4.9	17.7	18.0	4.6	(5)
YoY Change (%)	12.2	14.8	12.9	9.2	(0.7)	1.0	6.0	2.0	12.2	2.0	4.0	
Cement Realization	5,229	5,211	5,316	5,218	4,843	4,818	4,998	5,075	5,239	4,939	5,118	(5)
YoY Change (%)	(2.2)	1.2	2.7	(1.2)	(7.4)	(7.5)	(6.0)	(2.7)	(0.0)	(5.7)	(2.1)	
QoQ Change (%)	(0.9)	(0.3)	2.0	(1.8)	(7.2)	(0.5)	3.7	1.5				(1.9)
Net Sales	24.1	22.9	23.1	26.6	21.9	21.3	23.3	26.3	96.6	92.8	24.5	(11)
YoY Change (%)	9.3	14.3	14.7	7.9	(9.1)	(6.8)	0.9	(1.1)	11.3	(4.0)	1.9	
Total Expenditure	21.1	20.0	19.3	21.8	19.3	19.1	20.0	21.7	82.3	80.0	21.1	(8)
EBITDA	3.0	2.9	3.8	4.7	2.6	2.2	3.4	4.6	14.4	12.8	3.5	(26)
Margin (%)	12.4	12.6	16.4	17.8	11.8	10.3	14.5	17.5	14.9	13.7	14.2	(237)
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	5.8	5.9	1.5	(4)
Interest	1.0	1.0	1.0	0.8	0.9	0.9	0.9	0.8	3.7	3.4	0.9	1
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.9	0.9	0.2	(8)
Profit before Tax	0.8	0.8	1.5	2.7	0.4	0.1	1.3	2.6	5.7	4.4	1.3	(66)
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-	-	
Profit before Tax after EO	0.8	0.8	1.5	2.7	0.4	0.1	1.3	2.6	5.8	4.4	1.3	(66)
Tax	0.2	0.2	0.4	0.8	0.1	0.0	0.3	0.6	1.6	1.1	0.4	(68)
Rate (%)	21.7	24.3	28.9	29.2	25.9	25.9	25.9	25.2	27.5	25.5	27.5	
Reported PAT	0.6	0.6	1.1	1.9	0.3	0.1	0.9	1.9	4.2	3.2	0.9	(65)
Adj. PAT	0.6	0.6	1.1	1.9	0.3	0.1	0.9	1.9	4.2	3.2	0.9	(65)
Margin (%)	2.5	2.6	4.7	7.1	1.5	0.3	4.1	7.3	4.3	3.5	3.8	
YoY Change (%)	(16.2)	NM	NM	164.6	(45.4)	(90.0)	(13.3)	1.5	1,052.2	(22.0)	57.8	

Per tonne analysis (INR)

Blended Realization	5,461	5,468	5,505	5,477	5,001	5,048	5,240	5,309	5,475	5,156	5,350	(7)
YoY Change (%)	(2.6)	(0.5)	1.6	(1.2)	(8.4)	(7.7)	(4.8)	(3.1)	(0.8)	(5.8)	(2.0)	
Raw Material	958	917	782	921	666	716	741	739	896	717	891	(25)
Staff Cost	317	341	336	274	337	359	346	320	315	340	327	3
Power and Fuel	1,153	1,183	1,094	1,000	1,004	1,020	1,030	1,007	1,103	1,015	1,010	(1)
Transport and Forwarding	1,321	1,240	1,325	1,284	1,322	1,295	1,310	1,293	1,292	1,305	1,300	2
Other Exp.	1,038	1,096	1,066	1,024	1,082	1,135	1,055	1,019	1,061	1,071	1,065	2
Total Expenditure	4,786	4,777	4,604	4,503	4,411	4,526	4,482	4,380	4,660	4,447	4,593	(4)
EBITDA	675	691	901	974	590	522	757	929	815	709	758	(22)

Source: Company, MOFSL Estimates



Highlights from the management commentary

Demand and pricing outlook

- General elections and extended heat wave have resulted in low cement demand in 1Q. It expects industry volume to grow ~6-7% YoY in FY25.
- Cement prices corrected due to low demand and aggression from the market leaders. The company's realization drop was due to a change in market mix and sharp correction in cement prices in the company's core markets. It hurt more in Rajasthan and Gujarat markets.
- In Uttar Pradesh (central India), the pricing pattern was unchanged until 3QFY24. But pricing dynamics changed from the beginning of CY24, and prices reduced sharply. Leading players wiped out the premium over normal brand. PE/RD shot up exponentially, resulting in a plunge in WSP.
- Current cement price is down ~1.5-2% vs. Jun'23-exit. The company does not change its pricing strategy and believes current pricing trend is a temporary. It expects pricing to improve and it continued to place its product in 'A category'.
- The management refrained from giving any guidance on the volume growth and profitability due to the current market conditions.

Operational data points and cost-saving initiatives

- The company's capacity utilization stood at 91% in 1QFY25 vs. 91%/97% in 1QFY24/4QFY24. Blended cement sales stood at 84% in 1QFY25 vs. 88%/84% of total volumes in 1QFY24/4QFY24. Trade share stood at 72% of total volumes in 1QFY24 vs. 76%/72% in 1QFY24/4QFY24. Decline in trade share was mainly due to market conditions. Premium products contributed 59% of trade volumes in 1QFY25 vs. 54%/55% in 1QFY24/4QFY24. At Mukutban 40% of trade volume is in premium segment.
- The share of renewable power stood at ~27% in 1QFY25 vs. ~23%/25% in 1QFY24/4QFY24. Fuel consumption costs stood at INR1.48/Kcal vs. INR1.56/Kcal in 4QFY24. It expects a reduction upto INR0.05/kcal in the current quarter. The lead distance stood at 350Km. Lead distance is likely to increase due to further ramp up of Mukutban plant.
- The company's cost reduction initiatives under "Project Shikhar" and "Project Unnati" yielding desired results. It remained focused to drive cost efficiencies and investment in GTM strategy to improve profitability.
- SGST incentive accrued to INR210m in 1QFY25 (mainly from the Mukutban plant) vs. INR440m in 4QFY24 (included incentive from Kundanganj plan which is now expired).

Capacity expansion and net debt

- The company is expanding capacity in its core market eastern UP by expanding capacity at Kundanganj plant and the same is expected to be commissioned in 1HFY26. This will strengthen the company's position and competitiveness as this plant will be eligible for incentive for the new capacity.
- Currently, the management has not provided any timeline for the Greenfield expansion at Prayagraj, Uttar Pradesh. However, it reiterated its capacity target of 25mtpa by FY27. The management will further update on expansion plans in coming months. Capex is pegged at INR8b in FY25E.
- It is completing land acquisition in Bihar for its Gaya grinding unit. Though it refrains from giving any guideline about the capacity, investment and timelines.

Jute division

- It witnessed unprecedented downturn in the jute industry as the Government scaled back orders for jute bags and export of shopping bags was hobbled by logistical constraints. It registered a cash loss of INR39m in 1QFY25 vs. a cash profit of INR64m in 1QFY24.
- The jute goods industry is faced with multiple challenges, which forced major mills to scale back production. Government orders have fallen sharply, leading to an inventory pile-up. Most mills are currently running at partial capacity

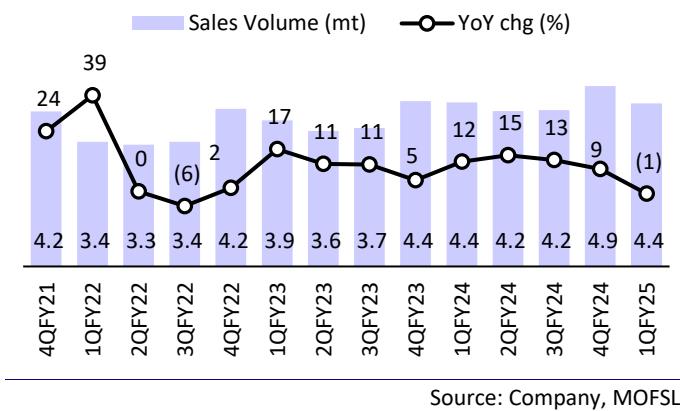
Exhibit 1: Revisions to our estimates

(INR b)	Revised			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	92.8	102.6	111.2	100.4	107.5	116.4	(7.5)	(4.6)	(4.5)
EBITDA	12.8	17.2	19.6	15.7	17.8	20.2	(18.8)	(3.5)	(3.0)
PAT	3.2	6.3	8.1	5.1	6.7	8.4	(36.9)	(5.7)	(3.6)
EPS (INR)	42.1	82.2	105.4	66.8	87.2	109.3	(36.9)	(5.7)	(3.6)

Source: Company, MOFSL

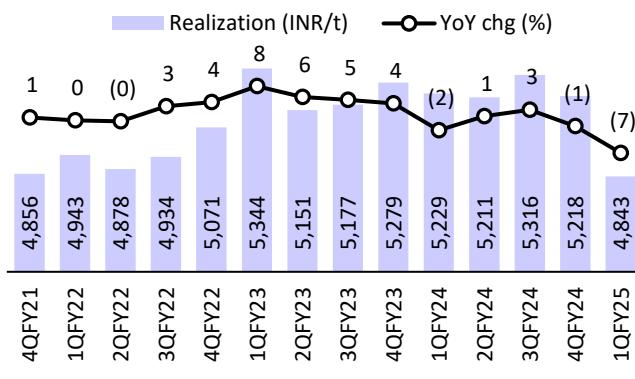
Story in charts

Exhibit 2: Sales volume declined ~1% YoY



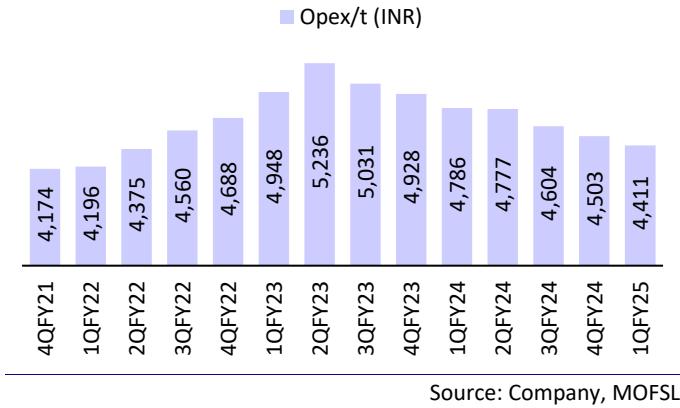
Source: Company, MOFSL

Exhibit 3: Cement realization was down ~7% YoY



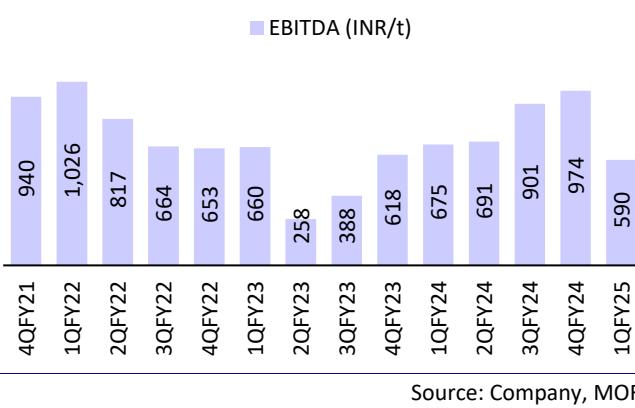
Source: Company, MOFSL

Exhibit 4: Opex/t declined ~8% YoY



Source: Company, MOFSL

Exhibit 5: EBITDA/t declined ~13% YoY



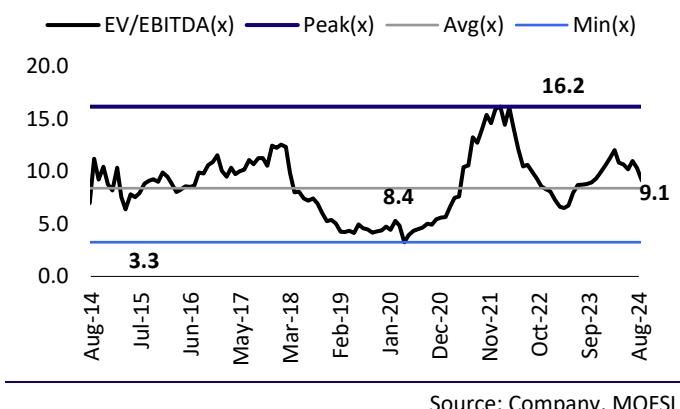
Source: Company, MOFSL

Exhibit 6: Key performance indicators – per tonne analysis

INR/t	1QFY25	1QFY24	YoY (%)	4QFY24	QoQ (%)
Blended Realization	5,001	5,461	(8)	5,477	(9)
RM Costs	666	958	(30)	921	(28)
Employee Expenses	337	317	6	274	23
Power and Fuel	1,004	1,153	(13)	1,000	0
Freight and Handling Outward	1,322	1,321	0	1,284	3
Other Expenses	1,082	1,038	4	1,024	6
Total Expenses	4,411	4,786	(8)	4,503	(2)
EBITDA	590	675	(13)	974	(39)

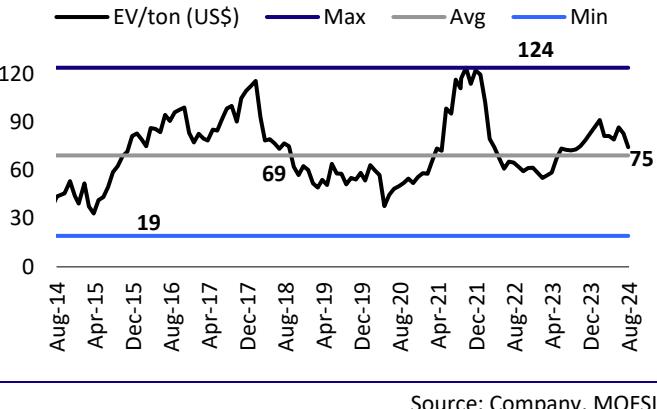
Source: Company, MOFSL

Exhibit 7: One-year forward EV/EBITDA trend



Source: Company, MOFSL

Exhibit 8: One-year forward EV/t trend



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	69,157	67,855	74,612	86,823	96,627	92,801	1,02,588	1,11,226
Change (%)	5.6	-1.9	10.0	16.4	11.3	-4.0	10.5	8.4
Total Expenditure	55,797	54,163	63,512	79,103	82,251	80,046	85,435	91,594
EBITDA	13,360	13,691	11,100	7,720	14,376	12,755	17,153	19,633
Margin (%)	19.3	20.2	14.9	8.9	14.9	13.7	16.7	17.7
Depreciation	3,519	3,708	3,969	5,099	5,783	5,891	6,603	6,941
EBIT	9,841	9,984	7,131	2,621	8,593	6,864	10,550	12,691
Int. and Finance Charges	3,877	2,963	2,427	3,387	3,717	3,415	3,048	2,853
Other Income - Rec.	851	673	988	1,131	856	906	989	1,054
PBT after EO	6,815	8,375	5,421	431	5,799	4,355	8,492	10,893
Change (%)	114.7	22.9	-35.3	-92.0	1,245.2	-24.9	95.0	28.3
Tax	1,763	2,074	1,435	26	1,594	1,110	2,165	2,778
Tax Rate (%)	25.9	24.8	26.5	6.1	27.5	25.5	25.5	25.5
Reported PAT	5,052	6,301	3,986	405	4,206	3,244	6,327	8,115
Extra-Ordinary Expenses	0	-681	271	-67	-68	0	0	0
PAT Adjusted for EO Items	5,052	5,460	4,200	361	4,158	3,244	6,327	8,115
Change (%)	97.6	8.1	-23.1	-91.4	1,052.2	-22.0	95.0	28.3
Margin (%)	7.3	8.0	5.6	0.4	4.3	3.5	6.2	7.3

Balance Sheet								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	770	770	770	770	770	770	770	770
Reserves	47,291	54,090	59,718	59,038	65,968	68,288	73,690	80,881
Net Worth	48,061	54,860	60,488	59,808	66,738	69,058	74,460	81,651
Loans	42,820	40,464	42,080	43,497	37,697	38,197	33,197	30,197
Deferred Liabilities	8,568	8,668	9,722	9,712	11,042	11,042	11,042	11,042
Capital Employed	99,449	1,03,992	1,12,291	1,13,017	1,15,477	1,18,297	1,18,700	1,22,890
Gross Block	87,430	91,087	97,586	1,25,338	1,30,596	1,38,401	1,43,901	1,57,901
Less: Accum. Deprn.	14,158	17,852	21,821	26,920	32,703	38,594	45,197	52,139
Net Fixed Assets	73,273	73,235	75,765	98,418	97,893	99,807	98,704	1,05,762
Capital WIP	16,020	21,048	25,511	3,576	4,805	5,000	7,500	5,000
Investments	8,363	7,526	10,093	8,683	12,881	12,881	12,881	12,881
Curr. Assets	24,098	27,147	27,147	30,042	28,783	29,838	31,828	34,096
Inventory	7,876	8,101	8,200	10,616	9,646	10,208	11,285	12,235
Account Receivables	2,504	2,795	3,028	3,233	4,149	3,712	4,104	4,449
Cash and Bank Balance	2,558	1,773	1,380	2,183	1,592	1,854	2,094	2,777
Others	11,160	14,479	14,539	14,010	13,396	14,064	14,346	14,635
Curr. Liability and Prov.	22,306	24,964	26,225	27,703	28,884	29,228	32,213	34,848
Account Payables	21,637	24,230	25,453	26,797	27,924	28,304	31,289	33,924
Provisions	669	734	772	906	960	924	924	924
Net Current Assets	1,793	2,184	922	2,340	-102	610	-385	-753
Appl. of Funds	99,449	1,03,992	1,12,291	1,13,017	1,15,477	1,18,297	1,18,700	1,22,891

Source: Company, MOFSL Estimates

Financials and valuations

Ratios								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	65.6	70.9	54.5	4.7	54.0	42.1	82.2	105.4
Cash EPS	111.3	119.0	106.1	70.9	129.1	118.6	167.9	195.5
BV/Share	624.1	712.4	785.5	776.6	866.6	896.8	966.9	1,060.3
DPS	7.5	10.0	10.0	2.5	10.0	12.0	12.0	12.0
Payout (%)	13.3	12.2	19.3	47.5	18.3	28.5	14.6	11.4
Valuation (x)								
P/E	20.8	19.2	25.0	290.6	25.2	32.3	16.6	12.9
Cash P/E	12.2	11.4	12.8	19.2	10.5	11.5	8.1	7.0
P/BV	2.2	1.9	1.7	1.8	1.6	1.5	1.4	1.3
EV/Sales	1.7	1.7	1.5	1.5	1.3	1.3	1.1	1.0
EV/EBITDA	9.0	8.4	9.9	17.3	8.6	9.7	6.7	5.8
EV/t - Cap (USD)	95	90	83	81	75	75	65	61
Dividend Yield (%)	0.6	0.7	0.7	0.2	0.7	0.9	0.9	0.9
Return Ratios (%)								
RoE	10.9	10.6	7.3	0.6	6.6	4.8	8.8	10.4
RoCE	8.2	7.9	5.5	3.1	6.0	5.0	7.3	8.5
RoIC	10.0	10.3	7.0	2.8	6.4	5.3	8.1	9.5
Working Capital Ratios								
Inventory (Days)	42	44	40	45	36	40	40	40
Debtor (Days)	13	15	15	14	16	15	15	15
Working Capital Turnover (Days)	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9
Leverage Ratio								
Current ratio	1.1	1.1	1.0	1.1	1.0	1.0	1.0	1.0
Debt/Equity (x)	0.9	0.7	0.7	0.7	0.6	0.6	0.4	0.4
Cash Flow Statement								
								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	6,815	7,126	5,378	431	5,799	4,355	8,492	10,893
Depreciation	3,519	3,708	3,969	5,099	5,783	5,891	6,603	6,941
Interest and Finance Charges	3,877	2,963	2,427	3,387	3,717	3,415	3,048	2,853
Direct Taxes Paid	-418	-843	-610	-508	-751	-1,110	-2,165	-2,778
(Inc.)/Dec. in WC	207	-201	-2	280	2,021	-449	1,234	1,051
CF from Operations	14,000	12,752	11,162	8,689	16,570	12,101	17,212	18,960
Others	-588	532	-770	-634	-376	0	0	0
CF from Operating incl. EO	13,412	13,284	10,392	8,055	16,195	12,101	17,212	18,960
(Inc.)/Dec. in FA	-9,860	-8,028	-7,762	-6,263	-5,255	-8,000	-8,000	-11,500
Free Cash Flow	3,552	5,256	2,629	1,791	10,939	4,101	9,212	7,460
(Pur.)/Sale of Investments	-446	2,438	-1,269	1,595	-1,053	0	0	0
Others	74	-1,699	950	601	-786	0	0	0
CF from Investments	-10,232	-7,289	-8,082	-4,068	-7,094	-8,000	-8,000	-11,500
Issue of Shares	0	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	1,860	-2,252	1,246	980	-5,998	500	-5,000	-3,000
Interest Paid	-3,872	-3,493	-3,179	-3,393	-3,501	-3,415	-3,048	-2,853
Dividend Paid	0	-1,036	-770	-770	-193	-924	-924	-924
Others	0	0	0	0	0	0	0	0
CF from Fin. Activity	-2,012	-6,781	-2,703	-3,183	-9,691	-3,839	-8,972	-6,777
Inc./Dec. in Cash	1,169	-786	-393	803	-591	262	240	683
Opening Balance	1,390	2,559	1,772	1,380	2,183	1,592	1,854	2,094
Closing Balance	2,559	1,772	1,380	2,183	1,592	1,854	2,094	2,777

Source: Company, MOFSL estimates

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

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.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 warranty, 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 alterations 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, nor 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 Patel 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.