

Birla Corporation

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	88.7 / 1.1
52-Week Range (INR)	1802 / 1100
1, 6, 12 Rel. Per (%)	-5/-31/-31
12M Avg Val (INR M)	247

Financial Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	88.8	96.5	103.8
EBITDA	10.7	14.3	16.5
Adj. PAT	1.9	4.6	6.2
EBITDA Margin (%)	12.0	14.8	15.9
Adj. EPS (INR)	24.7	60.2	80.1
EPS Gr. (%)	-54.2	143.4	33.2
BV/Sh. (INR)	879	927	996

Ratios

Net D:E	0.5	0.4	0.4
RoE (%)	2.8	6.7	8.3
RoCE (%)	3.8	6.0	7.0
Payout (%)	49	20	15

Valuations

P/E (x)	46.6	19.2	14.4
P/BV (x)	1.3	1.2	1.2
EV/EBITDA(x)	10.1	7.3	6.2
EV/ton (USD)	64	58	54
Div. Yield (%)	1.0	1.0	1.0

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	62.9	62.9	62.9
DII	16.2	16.3	16.0
FII	5.5	6.0	6.6
Others	15.4	14.9	14.5

FII Includes depository receipts

CMP: INR1,152 TP: INR1,500 (+30%) Buy

In-line performance; near-term headwinds hurt margins

Estimate volume growth at ~4% YoY in FY25

- BCORP's 2QFY25 EBITDA declined 39% YoY to INR1.8b (in line) and EBITDA/t fell 35% YoY to INR446 (est. INR436). OPM dipped 3.6pp YoY to 9%. The company reported a net loss of INR252m vs. PAT of INR586m in 2QFY24.
- The management is not much optimistic about the near-term outlook as the festive season and upcoming state elections could delay the expected recovery until Nov'24-end. It estimates volume growth at ~4% YoY in FY25, implying ~7-8% growth in 2HFY25. It estimates EBITDA/t improvement of up to INR150-170/t in 2H, out of which INR70/t would be from projects Unnati and Shikhar (combined), and the balance will be from better realization, positive operating leverage, and other cost savings.
- We cut our EBITDA estimates by ~8%/7%/5% for FY25/FY26/FY27 due to a slower-than-expected recovery in demand and prices. We value the stock at 9x Sep'26E EV/EBITDA to arrive at our revised TP of INR1,500 (earlier 1,650). **Reiterate BUY.**

Cement realization/t declines 9% YoY; opex/t down 6% YoY

- Consol. revenue/EBITDA stood at INR19.5b/INR1.8b (down 15%/39% YoY and +1%/+5% vs. our estimates) in 2QFY25. Sales volumes declined 5% YoY to 4.0mt. Cement realization declined 9% YoY to INR4,722. Opex/t declined ~6% YoY, led by a 17% decline in variable costs. Employee costs/other expenses/freight costs per ton rose ~4%/3%/1% YoY.
- OPM dipped 3.6pp YoY to ~9% and EBITDA/t fell 35% YoY to INR446. Interest costs declined 11% YoY and 'other income' fell 37% YoY. BCORP reported a net loss of INR252m vs. PAT of INR586m in 2QFY24.
- In 1HFY25, consol. revenue/EBITDA/PAT declined 12%/26%/94% YoY. OPM was down 2pp YoY at ~11% and EBITDA/t fell ~24% YoY to INR520. In 2HFY25, we estimate implied revenue/EBITDA/PAT to decline ~5%/26%/39% YoY and OPM to fall 4pp YoY to ~13% (up 2pp QoQ). We estimate EBITDA/t at INR685 vs. INR940/INR520 in 2HFY24/1HFY25.

Highlights from the management commentary

- Overall capacity utilization stood at ~80%, with ~90% utilization in core markets. It aims to again scale up the capacity utilization at its central India plant to ~100% and Mukutban plant to ~60%.
- In central and north regions, there has been a major shift toward the non-trade segment, which saw a sharp price correction during 1HFY25.
- SGST incentive accrued at INR170m in 2QFY25 from the Mukutban plant. It maintains its full-year incentive guidance of INR1.0b in FY25.

Valuation and View

- BCORP's reported performance was in line with our estimates. We expect a gradual recovery in profitability due to near-term challenges. We estimate a CAGR of 2%/5%/14% in consol. revenue/EBITDA/PAT over FY24-27.
- BCORP trades inexpensively at 7x/6x FY26E/FY27E EV/EBITDA, a lower valuation than its similar-sized peers. We reiterate our BUY rating with a revised TP of INR1,500 (earlier INR1,650), based on 9x Sep'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.

MotilalOswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Consolidated performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Cement Sales (MT)	4.4	4.2	4.2	4.9	4.4	4.0	4.4	4.9	17.7	17.6	3.9	2
YoY Change (%)	12.2	14.8	12.9	9.2	(0.7)	(5.0)	4.0	0.7	12.2	(0.3)	(7.0)	
Cement Realization	5,229	5,211	5,316	5,218	4,843	4,722	4,842	4,911	5,239	4,834	4,743	(0)
YoY Change (%)	(2.2)	1.2	2.7	(1.2)	(7.4)	(9.4)	(8.9)	(5.9)	(0.0)	(7.7)	(9.0)	
QoQ Change (%)	(0.9)	(0.3)	2.0	(1.8)	(7.2)	(2.5)	2.5	1.4			(2.1)	
Net Sales	24.1	22.9	23.1	26.6	21.9	19.5	22.2	25.2	96.6	88.8	19.4	1
YoY Change (%)	9.3	14.3	14.7	7.9	(9.1)	(14.6)	(3.9)	(5.3)	11.3	(8.1)	(15.1)	
Total Expenditure	21.1	20.0	19.3	21.8	19.3	17.8	19.6	21.5	82.3	78.1	17.7	0
EBITDA	3.0	2.9	3.8	4.7	2.6	1.8	2.6	3.7	14.4	10.7	1.7	5
Margin (%)	12.4	12.6	16.4	17.8	11.8	9.1	11.9	14.7	14.9	12.0	8.7	34
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.4	5.8	5.8	1.5	(1)
Interest	1.0	1.0	1.0	0.8	0.9	0.9	0.8	0.8	3.7	3.3	0.9	(2)
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.4	0.9	1.0	0.2	(20)
Profit before Tax	0.8	0.8	1.5	2.7	0.4	-0.4	0.6	1.9	5.7	2.6	-0.4	NA
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-	-	
Profit before Tax after EO	0.8	0.8	1.5	2.7	0.4	-0.4	0.6	1.9	5.8	2.6	-0.4	NA
Tax	0.2	0.2	0.4	0.8	0.1	-0.1	0.2	0.5	1.6	0.7	-0.1	
Rate (%)	21.7	24.3	28.9	29.2	25.9	29.4	29.4	24.9	27.5	25.5	25.9	
Reported PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.4	1.4	4.2	1.9	-0.3	NA
Adj. PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.4	1.4	4.2	1.9	-0.3	NA
Margin (%)	2.5	2.6	4.7	7.1	1.5	-1.3	1.9	5.6	4.3	2.1	-1.6	
YoY Change (%)	(16.2)	NM	NM	164.6	(45.4)	NM	(60.5)	(25.8)	1,052.2	(54.2)	(154.5)	

Per tonne analysis (INR)

Blended Realization	5,461	5,468	5,505	5,477	5,001	4,918	5,087	5,155	5,475	5,046	4,992	(1)
YoY Change (%)	(2.6)	(0.5)	1.6	(1.2)	(8.4)	(10.1)	(7.6)	(5.9)	(0.8)	(7.8)	(8.7)	
Raw Material	958	917	782	921	666	719	769	762	896	730	716	0
Staff Cost	317	341	336	274	337	354	338	304	315	332	390	(9)
Power and Fuel	1,153	1,183	1,094	1,000	1,004	1,025	1,015	1,017	1,103	1,015	1,020	0
Transport and Forwarding	1,321	1,240	1,325	1,284	1,322	1,249	1,310	1,307	1,292	1,298	1,295	(4)
Other Exp.	1,038	1,096	1,066	1,024	1,082	1,126	1,050	1,009	1,061	1,064	1,135	(1)
Total Expenditure	4,786	4,777	4,604	4,503	4,411	4,472	4,481	4,399	4,660	4,439	4,556	(2)
EBITDA	675	691	901	974	590	446	606	756	815	607	436	2

Source: Company, MOFSL Estimates



Highlights from the management commentary

Demand and pricing outlook

- BCORP is cautiously optimistic about demand recovery in the near term and expects it to be delayed until end-Nov'24. Festivals, the upcoming state elections in few states, and Maha Kumbh in Jan-Feb'24 in Uttar Pradesh are expected to impact full demand recovery in the near term.
- In the non-trade sector, prices had declined sharply during 1HFY25 in North and Center regions. Though it is not a major player in the non-trade/OPC segment as its non-trade/OPC sales remain below 20%/15%. Because of the market shift toward the non-trade segment at the industry level, overall industry capacity utilization declined. Prices in non-trade segment in Rajasthan, UP and Bihar were significantly lower, due to which it deliberately limited its exposure to not sales at such reduced prices. This also has led to lower capacity utilization to some extent. It likes to remain a stronger player/brand in the trade segment.

Operational data points and cost-saving initiatives

- The company's capacity utilization stood at 78% in 2QFY25 vs. 83%/91% in 2QFY24/1QFY25. Blended cement sales stood at 83% in 2QFY25 vs. 85%/84% of total volumes in 1QFY24/1QFY25. Trade share stood at 71% of total volumes in 1QFY24 vs. 72% each in 2QFY24/1QFY25. Premium products contributed 59% of trade volumes in 1QFY25 vs. 54%/55% in 1QFY24/4QFY24.
- The share of renewable power stood at ~25% in 2QFY25 vs. ~23%/27% in 2QFY24/1QFY25. Lead distance was ~350km and for Mukutban, it was ~425km.
- Fuel consumption costs stood at INR1.47/Kcal vs. INR1.48/Kcal in 1QFY25. It reduced the petcoke requirement using more of indigenous coal. It expects coal production at Bikram coal mines to start from 1QFY26. Coal cost is estimated at around INR1.1/Kcal vs. the current cost of ~INR1.4-1.5/Kcal in central regions.
- The company's cost reduction initiatives under Project Shikhar and Project Unnati are delivering the expected results. It expects cost savings of INR70/t (combined) from these projects and the balance INR100/t from better realizations, other cost optimization and efficiency improvements.

Capacity expansion and net debt

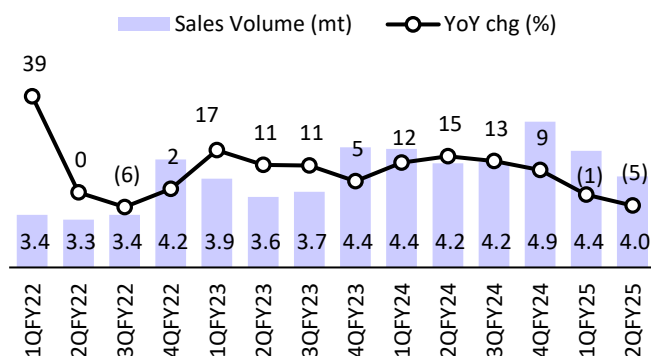
- The company is expanding capacity in its core market of eastern UP, at Kundanganj plant (line III), which is expected to be commissioned in 1QFY26. This will strengthen the company's position and competitiveness, as this plant will be eligible for incentive for the new capacity. Capex stood at INR2.0b in 1HFY25 and capex is pegged at INR7.0b in FY25E.
- Greenfield expansion in Prayagraj, UP, is in the pipeline, but it has not commenced construction work there. Hence, so far, not giving any guidance on an expected date of commissioning.
- As part of its efforts to increase the consumption of green energy, it has signed an agreement with a private entity to supply 12MW of renewable power to its Maihar unit. Power from this captive source is expected to commence within the current financial year.

Jute division

- Burdened by declining orders both domestically and internationally, the Jute division posted a cash loss of INR20m in 2QFY25 as compared to a cash profit of INR40m in 2QFY24.
- Production cut from the standard 77 days to 57 days, resulting in a drop in output from 0.87KT to 0.66KT in 2Q. Despite increasing the production of value-added goods to 0.15KT from 0.11KT YoY, export revenue fell by ~41% YoY to INR120m.

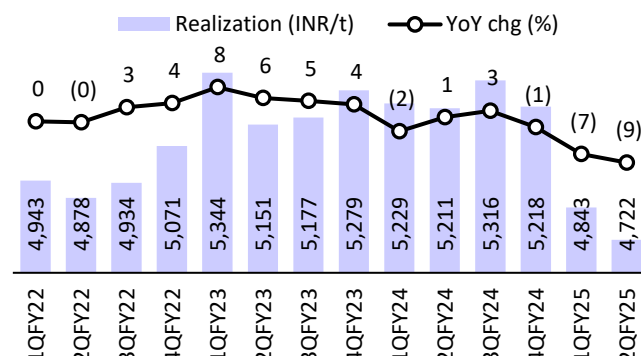
Story in charts

Exhibit 1: Sales volume declined ~5% YoY



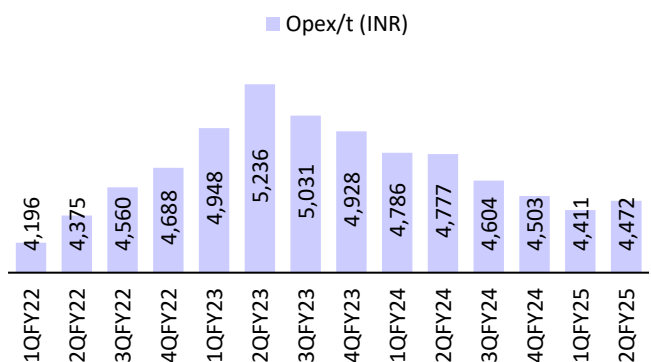
Source: Company, MOFSL

Exhibit 2: Cement realization was down ~9% YoY



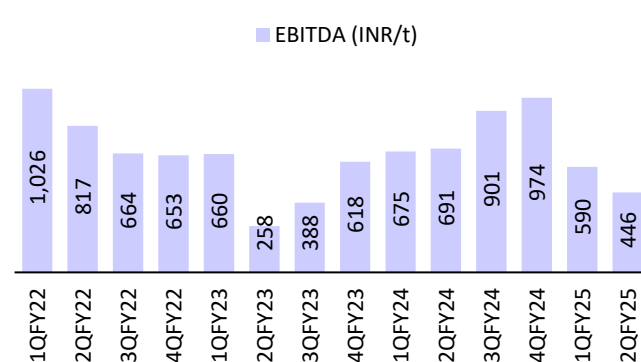
Source: Company, MOFSL

Exhibit 3: Opex/t declined ~6% YoY



Source: Company, MOFSL

Exhibit 4: EBITDA/t declined ~35% YoY



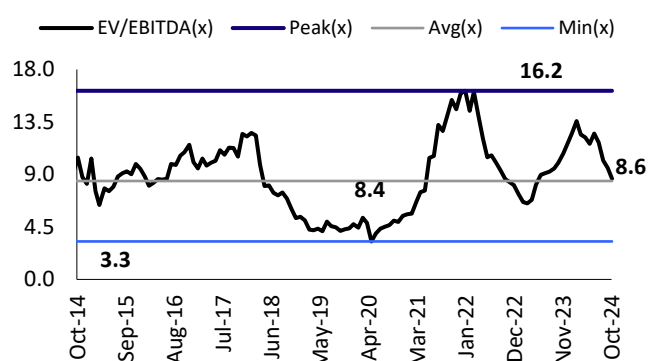
Source: Company, MOFSL

Exhibit 5: Key performance indicators – per tonne analysis

INR/t	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)
Blended Realization	4,918	5,468	(10)	5,001	(2)
RM Costs	719	917	(22)	666	8
Employee Expenses	354	341	4	337	5
Power and Fuel	1,025	1,183	(13)	1,004	2
Freight and Handling Outward	1,249	1,240	1	1,322	(6)
Other Expenses	1,126	1,096	3	1,082	4
Total Expenses	4,472	4,777	(6)	4,411	1
EBITDA	446	691	(35)	590	(24)

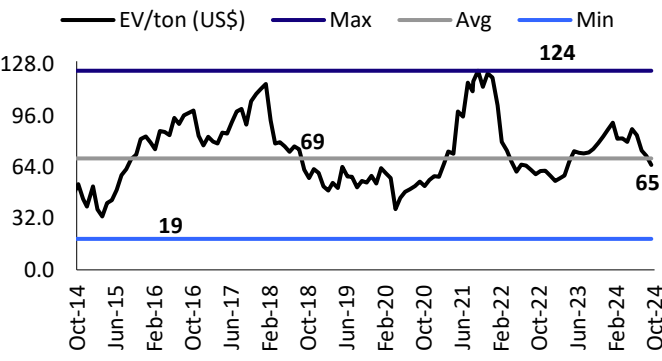
Source: Company, MOFSL

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

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	88,817	96,514	1,03,841
Change (%)	5.6	-1.9	10.0	16.4	11.3	-8.1	8.7	7.6
Total Expenditure	55,797	54,163	63,512	79,103	82,251	78,126	82,188	87,317
EBITDA	13,360	13,691	11,100	7,720	14,376	10,691	14,326	16,524
Margin (%)	19.3	20.2	14.9	8.9	14.9	12.0	14.8	15.9
Depreciation	3,519	3,708	3,969	5,099	5,783	5,762	5,914	6,201
EBIT	9,841	9,984	7,131	2,621	8,593	4,929	8,412	10,323
Int. and Finance Charges	3,877	2,963	2,427	3,387	3,717	3,339	3,215	3,141
Other Income - Rec.	851	673	988	1,131	856	965	1,020	1,103
PBT after EO	6,815	8,375	5,421	431	5,799	2,554	6,218	8,284
Change (%)	114.7	22.9	-35.3	-92.0	1,245.2	-56.0	143.4	33.2
Tax	1,763	2,074	1,435	26	1,594	651	1,585	2,112
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	1,903	4,632	6,172
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	1,903	4,632	6,172
Change (%)	97.6	8.1	-23.1	-91.4	1,052.2	-54.2	143.4	33.2
Margin (%)	7.3	8.0	5.6	0.4	4.3	2.1	4.8	5.9

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	66,946	70,654	75,902
Net Worth	48,061	54,860	60,488	59,808	66,738	67,717	71,425	76,672
Loans	42,820	40,464	42,080	43,497	37,697	38,197	36,197	35,197
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	1,16,956	1,18,664	1,22,911
Gross Block	87,430	91,087	97,586	1,25,338	1,30,596	1,37,401	1,42,901	1,52,401
Less: Accum. Deprn.	14,158	17,852	21,821	26,920	32,703	38,465	44,379	50,580
Net Fixed Assets	73,273	73,235	75,765	98,418	97,893	98,936	98,522	1,01,821
Capital WIP	16,020	21,048	25,511	3,576	4,805	5,000	7,500	8,000
Investments	8,363	7,526	10,093	8,683	12,881	11,881	10,881	9,881
Curr. Assets	24,098	27,147	27,147	30,042	28,783	29,152	32,122	35,805
Inventory	7,876	8,101	8,200	10,616	9,646	9,770	11,582	12,461
Account Receivables	2,504	2,795	3,028	3,233	4,149	3,553	3,861	4,154
Cash and Bank Balance	2,558	1,773	1,380	2,183	1,592	1,767	1,491	3,243
Others	11,160	14,479	14,539	14,010	13,396	14,063	15,188	15,948
Curr. Liability and Prov.	22,306	24,964	26,225	27,703	28,884	28,013	30,361	32,596
Account Payables	21,637	24,230	25,453	26,797	27,924	27,089	29,437	31,672
Provisions	669	734	772	906	960	924	924	924
Net Current Assets	1,793	2,184	922	2,340	-102	1,139	1,761	3,210
Appl. of Funds	99,449	1,03,992	1,12,291	1,13,017	1,15,477	1,16,956	1,18,664	1,22,912

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	24.7	60.2	80.1
Cash EPS	111.3	119.0	106.1	70.9	129.1	99.5	136.9	160.7
BV/Share	624.1	712.4	785.5	776.6	866.6	879.3	927.5	995.6
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	48.6	19.9	15.0
Valuation (x)								
P/E	17.6	16.2	21.1	245.8	21.3	46.6	19.2	14.4
Cash P/E	10.4	9.7	10.9	16.2	8.9	11.6	8.4	7.2
P/BV	1.8	1.6	1.5	1.5	1.3	1.3	1.2	1.2
EV/Sales	1.5	1.5	1.3	1.4	1.1	1.2	1.1	1.0
EV/EBITDA	7.8	7.2	8.5	15.3	7.5	10.1	7.3	6.2
EV/t - Cap (USD)	81	76	69	70	64	64	58	54
Dividend Yield (%)	0.7	0.9	0.9	0.2	0.9	1.0	1.0	1.0
Return Ratios (%)								
RoE	10.9	10.6	7.3	0.6	6.6	2.8	6.7	8.3
RoCE	8.2	7.9	5.5	3.1	6.0	3.8	6.0	7.0
RoIC	10.0	10.3	7.0	2.8	6.4	3.8	6.4	7.7
Working Capital Ratios								
Inventory (Days)	42	44	40	45	36	40	44	44
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	0.8	0.8
Leverage Ratio								
Current ratio	1.1	1.1	1.0	1.1	1.0	1.0	1.1	1.1
Debt/Equity (x)	0.9	0.7	0.7	0.7	0.6	0.6	0.5	0.5

Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
(INR m)								
OP/(Loss) before Tax	6,815	7,126	5,378	431	5,799	2,554	6,218	8,284
Depreciation	3,519	3,708	3,969	5,099	5,783	5,762	5,914	6,201
Interest and Finance Charges	3,877	2,963	2,427	3,387	3,717	3,339	3,215	3,141
Direct Taxes Paid	-418	-843	-610	-508	-751	-651	-1,585	-2,112
(Inc.)/Dec. in WC	207	-201	-2	280	2,021	-1,066	-897	303
CF from Operations	14,000	12,752	11,162	8,689	16,570	9,938	12,863	15,817
Others	-588	532	-770	-634	-376	0	0	0
CF from Operating incl. EO	13,412	13,284	10,392	8,055	16,195	9,938	12,863	15,817
(Inc.)/Dec. in FA	-9,860	-8,028	-7,762	-6,263	-5,255	-7,000	-8,000	-10,000
Free Cash Flow	3,552	5,256	2,629	1,791	10,939	2,938	4,863	5,817
(Pur.)/Sale of Investments	-446	2,438	-1,269	1,595	-1,053	1,000	1,000	1,000
Others	74	-1,699	950	601	-786	0	0	0
CF from Investments	-10,232	-7,289	-8,082	-4,068	-7,094	-6,000	-7,000	-9,000
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	-2,000	-1,000
Interest Paid	-3,872	-3,493	-3,179	-3,393	-3,501	-3,339	-3,215	-3,141
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	-3,763	-6,139	-5,065
Inc./Dec. in Cash	1,169	-786	-393	803	-591	175	-276	1,751
Opening Balance	1,390	2,559	1,772	1,380	2,183	1,592	1,767	1,491
Closing Balance	2,559	1,772	1,380	2,183	1,592	1,767	1,491	3,243

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://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

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

The associates of MOFSL may have:

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

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
 - Served subject company as its clients during twelve months preceding the date of distribution of the research report.
- The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
- Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and 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, 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/NCDX); 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.