

# Dalmia Bharat

**CMP: INR1,992 TP: INR2,500 (+25%)**

**BUY**

## Prices soft in key markets; but volume growth should be better

- Dalmia Bharat (DALBHARA)'s key markets (the South and East regions) witnessed a higher price correction (down 8-9% QoQ) vs. other regions (down 3-7% QoQ) in 4QFY24. However, the company is likely to report double-digit volume growth in 4QFY24, supported by healthy demand and market share gains. We cut our EBITDA estimates by 4%/8%/8% for FY24/FY25/FY26 due to weak pricing, which was partly offset by higher volume growth and cost reduction initiatives.
- Further, a delay in the acquisition of Jaiprakash Associates (JPA)'s cement assets (announced in Dec'22) remains an overhang on the stock. The approval process from various banks is pending and is taking longer than anticipated. However, DALBHARA's organic expansion plans are on track. It will add clinker and cement capacities of 4.9mtpa each through a mix of greenfield and brownfield expansions by FY25.
- We believe that cement prices in DALBHARA's key markets have bottomed out and we expect prices to stabilize or improve from hereon. The company's strong presence in the East and South regions, along with continuous capacity addition, will help to bolster its position in these markets. Despite a robust expansion, its leverage has remained low (net debt-to-EBITDA stood at 0.16x as of Dec'23).
- The stock has corrected 15% in the last three months due to concerns of lower profitability because of a decline in cement prices. We value the stock at 12x FY26E (earlier 13x) EV/EBITDA to arrive at our revised TP of INR2,500 (earlier INR2,800). The stock offers an upside potential of 25% from current levels. **Reiterate BUY.**

## Price corrections will lead to a contraction in profitability

- Our channel checks suggest that the average cement prices in East and South regions have declined sharply by ~8-9% (INR30-35 per 50kg bag) QoQ in 4QFY24. Conversely, the all-India average cement price dipped ~7% (INR25 per 50kg bag). We estimate that a higher decline in cement prices in DALBHARA's core markets will lead to a higher contraction in the company's realization.
- However, DALBHARA is estimated to report strong volume growth supported by healthy demand and market share gains in its core markets. The company's continuous capacity expansion (increased grinding capacity to 44.6mtpa in FY24 from 38.6mtpa in FY23) will help the company strengthen its presence in these markets. We estimate DALBHARA to report 12% YoY volume growth in 4QFY24.
- The company's focus on cost efficiency, innovation, and sustainability will help it reduce its opex/t. DALBHARA's average fuel consumption cost (INR/Kcal) in 9MFY24 was the lowest (at INR1.7/kcal) within our coverage universe. The company's efforts towards improving its C:C ratio, raising its blended cement share, green power, alternative fuels, and use of electric vehicles for transportation will help contain its opex/t and limit the contraction in profitability.

### Stock Info

Bloomberg	DALBHARA IN
Equity Shares (m)	187
M.Cap.(INRb)/(USDb)	373.7 / 4.5
52-Week Range (INR)	2431 / 1803
1, 6, 12 Rel. Per (%)	-4/-32/-28
12M Avg Val (INR M)	748
Free float (%)	44.2

### Financials Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	145.4	157.0	174.4
EBITDA	27.7	32.5	39.7
Adj. PAT	7.7	10.8	14.3
EBITDA Margin (%)	19.1	20.7	22.7
Adj. EPS (INR)	41.0	57.4	76.1
EPS Gr. (%)	12.1	40.2	32.6
BV/Sh. (INR)	865	909	967

### Ratios

Net D:E	0.1	0.1	0.1
RoE (%)	4.8	6.5	8.1
RoCE (%)	5.5	6.7	8.0
Payout (%)	24.4	22.6	23.6

### Valuations

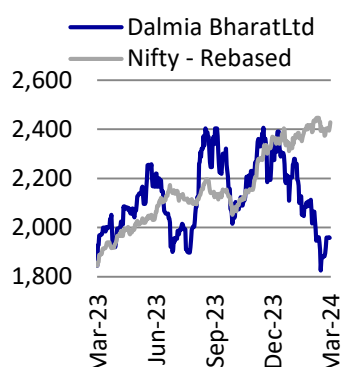
P/E (x)	48.6	34.7	26.2
P/BV (x)	2.3	2.2	2.1
EV/EBITDA(x)	13.5	11.3	9.5
EV/ton (USD)	102	94	92
Div. Yield (%)	0.5	0.7	0.9
FCF Yield (%)	-0.1	-0.6	2.0

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	55.8	55.9	55.9
DII	11.2	9.6	8.3
FII	12.9	14.1	12.4
Others	20.0	21.3	23.4

FII Includes depository receipts

### Stock performance (one-year)



**Sanjeev Kumar Singh - Research analyst** (Sanjeev.Singh@MotilalOswal.com)

**Mudit Agarwal - Research analyst** (Mudit.Agarwal@MotilalOswal.com)

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

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

**Delay in the acquisition of JPA's cement assets; organic expansions on track**

- DALBHARA proposed to acquire JPA's cement assets located in Central India, with a significant capacity share (~10%) in the region. However, the deal is taking longer than anticipated. Meanwhile, the company made tolling arrangements (contract manufacturing) with JPA for some of the plants. This will help the company establish a distribution network, build its brand, and gain market share in Central India.
- However, the company's organic expansions are largely on track. In FY24, the company increased cement capacity by 6mtpa to 44.6mtpa. It will further add a cement capacity of 4.9mtpa through a mix of greenfield and brownfield expansions by FY25E to reach 49.5mtpa through organic expansions.
- The company reiterated its long-term capacity target of 75mtpa/110-130mtpa by FY27/FY31. Currently, it has a major presence in East and South India. DALBHARA intends to establish its presence in West, Central, and North India.

**Leverage at a comfortable level; reiterate BUY**

- Despite the significant expansion, the company's leverage remains low aided by strong volume growth (at ~15% CAGR over FY14-24E), improvement in profitability (20% EBITDA CAGR over FY14-24E), and divestment of non-core assets (divested its entire investments in refractory business, retail businesses for all construction and building materials, and partial stake in IEX). Its net debt stood at INR4.3b, and net debt-to-EBITDA ratio was at 0.16x as of Dec'23.
- The company's net debt-to-EBITDA is estimated to remain below 2x, factoring in the expected cash outflow of INR33b for JPA's cement asset acquisition, and INR35b for organic growth plans in FY25E.
- The stock currently trades at 11x/9.5x EV/EBITDA and EV/t of USD94/USD92 for FY25E/FY26E. We have cut our EBITDA by 4%/8%/8% for FY24E/FY25E/FY26E, given the drop in realization/t. We value the stock at 12x FY26E (earlier 13x) EV/EBITDA to arrive at our revised TP of INR2,500 (earlier INR2,800). The stock offers an upside potential of 25% from current levels. **Reiterate BUY.**

**Exhibit 1: Revision to our estimates**

(INR b)	Revised			Old			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	145.4	157.0	174.4	144.6	162.0	181.5	0.6%	-3.1%	-3.9%
EBITDA	27.7	32.5	39.7	28.9	35.3	43.1	-4.0%	-7.9%	-8.0%
PAT	7.7	10.8	14.3	8.5	12.2	16.7	-9.1%	-11.5%	-14.5%
EPS (INR)	41.0	57.4	76.1	45.1	64.9	89.1	-9.1%	-11.5%	-14.5%

Source: Company, MOFSL

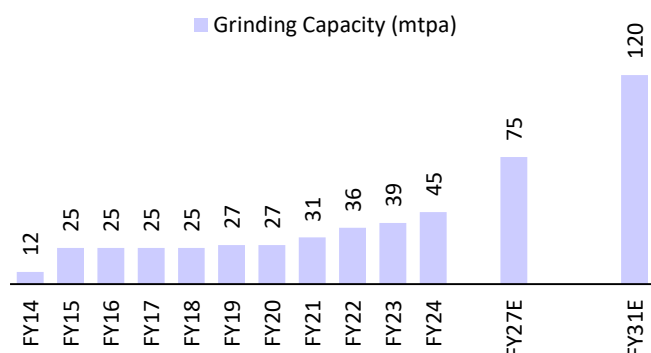
**Exhibit 2: MOFSL estimates vs. consensus**

(INR b)	MOFSL			Consensus			Difference (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	145.4	157.0	174.4	146.3	167.7	189.7	-0.6%	-6.4%	-8.0%
EBITDA	27.7	32.5	39.7	28.6	35.9	42.0	-3.0%	-9.6%	-5.5%
PAT	7.7	10.8	14.3	8.7	12.0	15.4	-11.2%	-10.4%	-7.1%
EPS (INR)	41.0	57.4	76.1	46.8	65.0	82.6	-12.4%	-11.7%	-7.8%

Source: Bloomberg, MOFSL

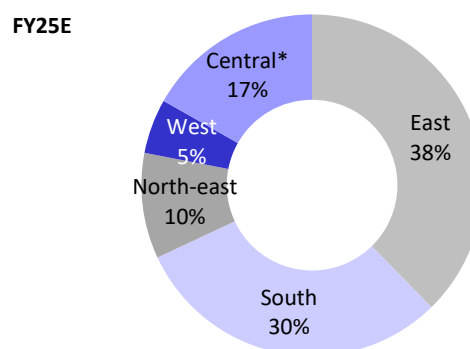
## Story in charts

**Exhibit 3: DALBHARA targets 14-15% capacity CAGR by FY31**



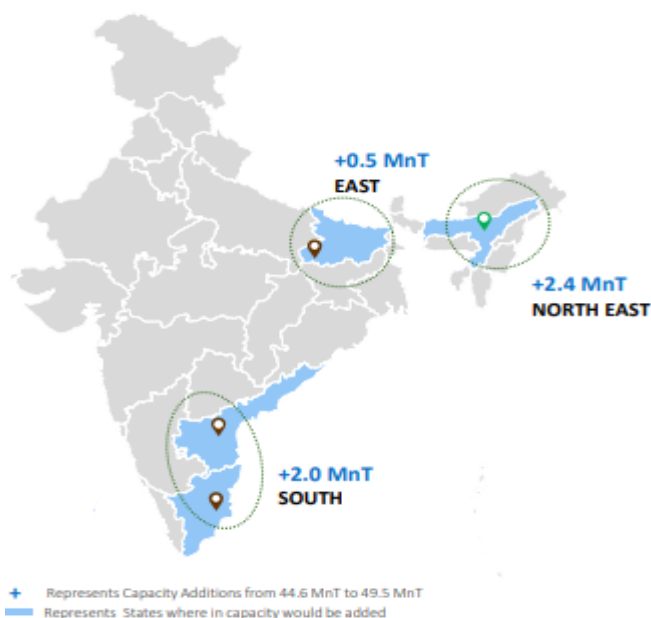
Source: MOFSL, Company; FY24 closing capacity is excluding pending acquisition of JPA cement asset

**Exhibit 4: DALBHARA's grinding capacity regional break-up**



Source: MOFSL, Company; \*acquisition of JPA cement asset in Central India is under process

**Exhibit 5: Snapshot of DALBHARA's capacity expansion plan (to reach 49.5mtpa organically by FY25E)**



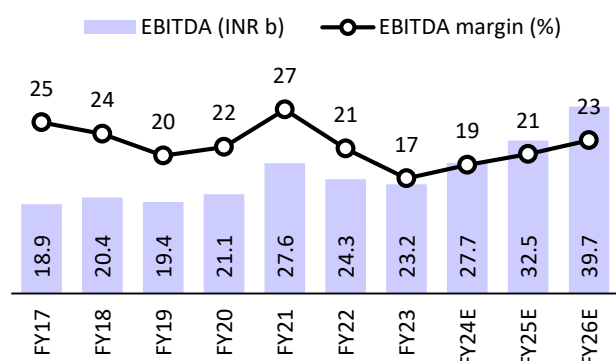
Region	Plant	Capacity
<b>Closing Capacity FY22</b>		<b>35.9</b>
East	Bokaro, JH	0.6
North East	Adhunik, ML	0.2
East	Rajgangpur, OR	0.3
East	Kapilas, OR	0.3
North East	Calcom, AS	1.3
East	Bokaro Line 2, JH	2.5
East	Medinipur, WB	0.6
South	Sattur, TN	2.0
South	Belgaum, KA	0.9
<b>Capacity as on date*</b>		<b>44.6</b>
South	Ariyalur, TN	1.0
South	Kadapa, AP	1.0
<b>Closing Capacity FY24*</b>		<b>46.6</b>
East	Kalyanpur, BH	0.5
North East	Lanka, AS	2.4
<b>Closing Capacity FY25*</b>		<b>49.5</b>

\*the closing capacity is excluding the acquisition of cement assets of Jaiprakash Associates

47

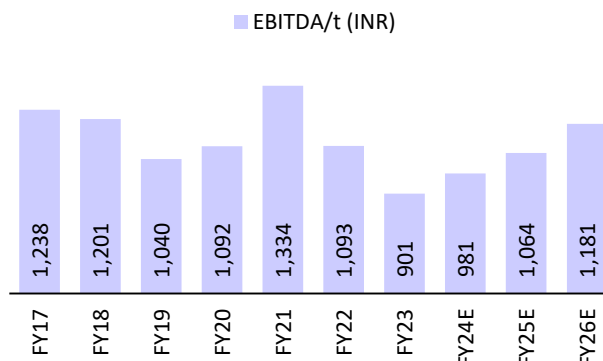
Source: Company

**Exhibit 6: Estimate EBITDA CAGR of 20% over FY24-26**



Source: MOFSL, Company; E: MOFSL estimates, Note: estimates does not include JPA cement asset acquisition under-progress;

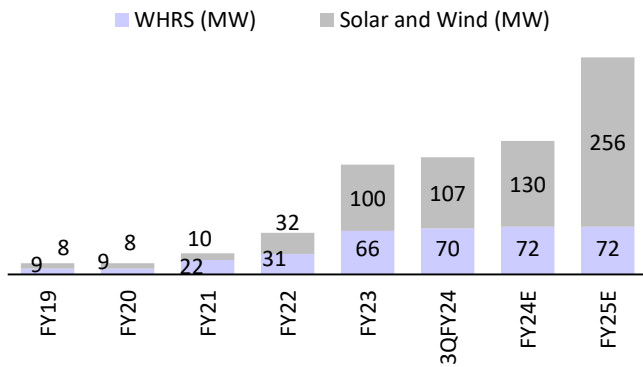
**Exhibit 7: EBITDA/t to improve aided by cost efficiencies**



Source: MOFSL, Company; E: MOFSL estimates, Note: estimates does not include JPA cement asset acquisition under-progress;

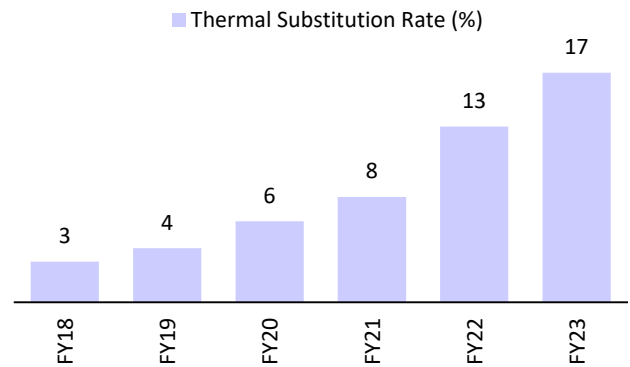
## Story in charts

**Exhibit 8: Increasing green power portfolio**



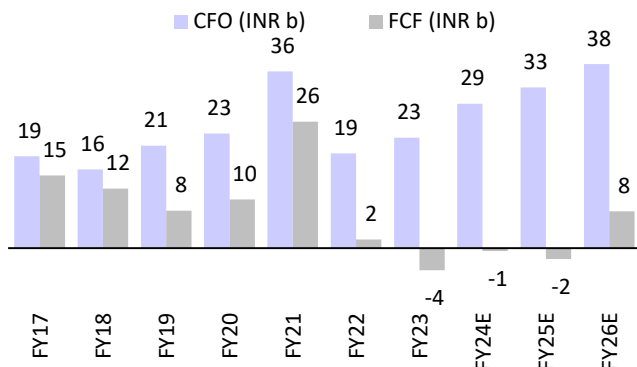
Source: MOFSL, Company

**Exhibit 9: TSR rising due to usage of more alternative fuels**



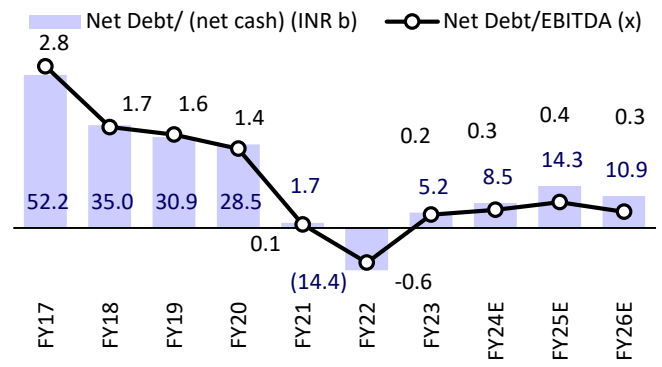
Source: MOFSL, Company

**Exhibit 10: OCF will support organic growth**



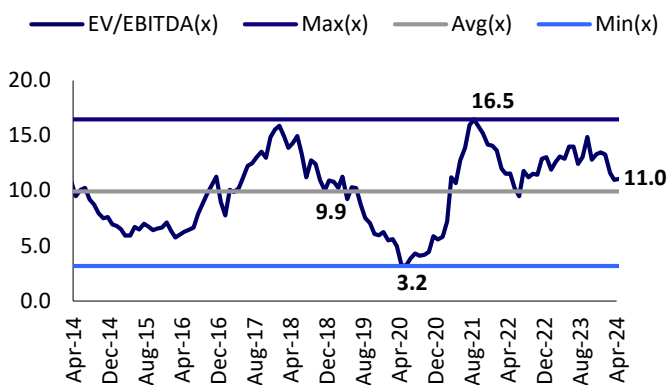
Source: MOFSL, Company; E: MOFSL estimates; Note: estimates does not include JPA cement asset acquisition under-progress

**Exhibit 11: Net debt mounting due to higher capex**



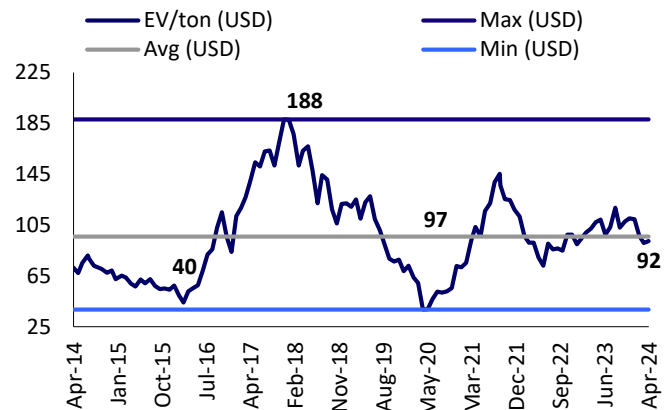
Source: MOFSL, Company; E: MOFSL estimates; Note: estimates does not include JPA cement asset acquisition under-progress;

**Exhibit 12: One-year forward EV/EBITDA**



Source: MOFSL, Company

**Exhibit 13: One-year forward EV/t**



Source: MOFSL, Company

## Financials and Valuations (Consolidated)

Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>94,840</b>	<b>96,740</b>	<b>1,01,100</b>	<b>1,12,860</b>	<b>1,35,400</b>	<b>1,45,406</b>	<b>1,57,039</b>	<b>1,74,422</b>
Change (%)	10.5	2.0	4.5	11.6	20.0	7.4	8.0	11.1
<b>EBITDA</b>	<b>19,420</b>	<b>21,060</b>	<b>27,620</b>	<b>24,260</b>	<b>23,160</b>	<b>27,747</b>	<b>32,484</b>	<b>39,663</b>
Margin (%)	20.5	21.8	27.3	21.5	17.1	19.1	20.7	22.7
Depreciation	12,960	15,280	12,500	12,350	13,050	15,518	16,155	18,900
<b>EBIT</b>	<b>6,460</b>	<b>5,780</b>	<b>15,120</b>	<b>11,910</b>	<b>10,110</b>	<b>12,229</b>	<b>16,329</b>	<b>20,763</b>
Int. and Finance Charges	5,510	4,380	2,950	2,020	2,340	4,008	4,310	4,182
Other Income - Rec.	2,440	2,170	1,810	1,600	1,380	2,720	2,857	2,943
<b>PBT bef. EO Exp.</b>	<b>3,390</b>	<b>3,570</b>	<b>13,980</b>	<b>11,490</b>	<b>9,150</b>	<b>10,940</b>	<b>14,876</b>	<b>19,523</b>
EO Expense/(Income)	0	0	-3,330	20	-3,850	0	0	0
<b>PBT after EO Exp.</b>	<b>3,390</b>	<b>3,570</b>	<b>17,310</b>	<b>11,470</b>	<b>13,000</b>	<b>10,940</b>	<b>14,876</b>	<b>19,523</b>
Current Tax	1,120	1,140	2,120	250	320	2,861	3,808	4,998
Deferred Tax	-1,220	50	3,330	2,900	2,100	0	0	0
Tax Rate (%)	-2.1	27.5	40.4	26.5	29.6	25.6	25.6	25.6
<b>Reported PAT</b>	<b>3,490</b>	<b>2,380</b>	<b>11,860</b>	<b>8,320</b>	<b>10,580</b>	<b>8,080</b>	<b>11,067</b>	<b>14,525</b>
Minority and Associates	-410	-140	-130	-240	-190	-400	-300	-250
<b>PAT Adj. for EO items</b>	<b>3,080</b>	<b>2,240</b>	<b>8,400</b>	<b>8,203</b>	<b>6,850</b>	<b>7,680</b>	<b>10,767</b>	<b>14,275</b>
Change (%)	5.5	-27.3	275.0	-2.3	-16.5	12.1	40.2	32.6
Margin (%)	3.2	2.3	8.3	7.3	5.1	5.3	6.9	8.2

Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	390	390	374	375	375	375	375	375
Total Reserves	1,06,000	1,05,650	1,27,726	1,60,235	1,55,905	1,61,710	1,70,040	1,80,941
<b>Net Worth</b>	<b>1,06,390</b>	<b>1,06,040</b>	<b>1,28,100</b>	<b>1,60,610</b>	<b>1,56,280</b>	<b>1,62,085</b>	<b>1,70,415</b>	<b>1,81,316</b>
Deferred capital investment subsidy	1,290	1,400	1,240	1,250	1,660	1,660	1,660	1,660
Deferred Liabilities	11,880	12,770	16,590	15,640	16,100	16,100	16,100	16,100
Minority Interest	110	250	340	720	1,160	1,560	1,860	2,110
Total Loans	58,780	59,500	37,080	31,190	37,420	45,920	46,920	43,420
<b>Capital Employed</b>	<b>1,78,450</b>	<b>1,79,960</b>	<b>1,83,350</b>	<b>2,09,410</b>	<b>2,12,620</b>	<b>2,27,325</b>	<b>2,36,955</b>	<b>2,44,606</b>
Gross Block	1,66,210	1,66,440	1,86,160	2,00,360	2,16,590	2,56,270	2,74,240	3,16,210
Less: Accum. Deprn.	30,470	40,890	49,910	59,020	68,760	82,248	96,373	1,13,243
<b>Net Fixed Assets</b>	<b>1,35,740</b>	<b>1,25,550</b>	<b>1,36,250</b>	<b>1,41,340</b>	<b>1,47,830</b>	<b>1,74,022</b>	<b>1,77,867</b>	<b>2,02,967</b>
Capital WIP	5,200	17,400	10,060	10,450	18,710	7,000	22,000	8,000
<b>Current Investment</b>	<b>23,150</b>	<b>26,980</b>	<b>32,930</b>	<b>43,990</b>	<b>29,350</b>	<b>29,350</b>	<b>29,350</b>	<b>29,350</b>
Non-current Investment	1,090	1,610	7,410	13,060	5,900	5,900	5,900	5,900
<b>Curr. Assets, Loans and Adv.</b>	<b>39,300</b>	<b>37,670</b>	<b>32,210</b>	<b>37,840</b>	<b>53,400</b>	<b>56,531</b>	<b>50,524</b>	<b>52,465</b>
Inventory	10,320	9,740	7,600	9,460	13,160	13,943	15,059	16,725
Account Receivables	5,490	6,640	5,110	6,730	7,000	7,967	8,605	9,557
Cash and Bank Balance	4,690	4,030	2,470	1,600	2,850	8,030	3,313	3,127
Loans and Advances	18,800	17,260	17,030	20,050	30,390	26,590	23,548	23,055
<b>Curr. Liability and Prov.</b>	<b>26,030</b>	<b>29,250</b>	<b>35,510</b>	<b>37,270</b>	<b>42,570</b>	<b>45,478</b>	<b>48,686</b>	<b>54,076</b>
Account Payables	23,430	27,210	32,820	34,600	39,370	42,042	44,975	49,953
Provisions	2,600	2,040	2,690	2,670	3,200	3,436	3,711	4,122
<b>Net Current Assets</b>	<b>13,270</b>	<b>8,420</b>	<b>-3,300</b>	<b>570</b>	<b>10,830</b>	<b>11,053</b>	<b>1,838</b>	<b>-1,611</b>
<b>Appl. of Funds</b>	<b>1,78,450</b>	<b>1,79,960</b>	<b>1,83,350</b>	<b>2,09,410</b>	<b>2,12,620</b>	<b>2,27,325</b>	<b>2,36,955</b>	<b>2,44,606</b>

E: MOFSL estimates

## Financials and Valuations (Consolidated)

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)*</b>								
<b>EPS</b>	<b>15.8</b>	<b>11.5</b>	<b>44.9</b>	<b>43.8</b>	<b>36.5</b>	<b>41.0</b>	<b>57.4</b>	<b>76.1</b>
Cash EPS	82.3	89.8	111.7	109.7	106.1	123.7	143.6	176.9
BV/Share	545.6	543.8	684.6	857.2	833.6	864.5	909.0	967.1
DPS	2.0	2.0	1.3	9.0	9.0	10.0	13.0	18.0
Payout (%)	12.5	17.2	3.0	20.6	24.6	24.4	22.6	23.6
<b>Valuation (x)*</b>								
P/E			44.4	45.5	54.5	48.6	34.7	26.2
Cash P/E			17.8	18.2	18.8	16.1	13.9	11.3
P/BV			2.9	2.3	2.4	2.3	2.2	2.1
EV/Sales			3.6	3.1	2.7	2.6	2.3	2.2
EV/EBITDA			13.2	14.4	15.5	13.5	11.3	9.5
EV/t (USD)			144	117	113	102	94	92
Dividend Yield (%)			0.1	0.5	0.5	0.5	0.7	0.9
<b>Return Ratios (%)</b>								
RoIC	4.5	3.0	6.7	6.0	4.5	5.3	6.7	8.0
RoE	2.9	2.1	7.2	5.7	4.3	4.8	6.5	8.1
RoCE	5.3	3.5	6.1	5.6	4.2	5.5	6.7	8.0
<b>Working Capital Ratios</b>								
Asset Turnover (x)	0.5	0.5	0.6	0.5	0.6	0.6	0.7	0.7
Inventory (Days)	40	37	27	31	35	35	35	35
Debtor (Days)	21	25	18	22	19	20	20	20
<b>Leverage Ratio (x)</b>								
Current Ratio	1.5	1.3	0.9	1.0	1.3	1.2	1.0	1.0
Debt/Equity ratio	0.6	0.6	0.3	0.2	0.2	0.3	0.3	0.2

### Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	3,390	3,570	13,640	11,620	13,210	10,940	14,876	19,523
Depreciation	12,960	15,280	12,500	12,360	13,050	15,518	16,155	18,900
Interest and Finance Charges	5,510	3,640	3,190	1,930	2,310	3,688	3,990	3,922
Direct Taxes Paid	-240	-660	440	240	-140	-2,861	-3,808	-4,998
(Inc.)/Dec. in WC	1,500	2,740	7,810	-5,150	-770	4,875	4,403	3,120
<b>CF from Operations</b>	<b>23,120</b>	<b>24,570</b>	<b>37,580</b>	<b>21,000</b>	<b>27,660</b>	<b>32,161</b>	<b>35,615</b>	<b>40,468</b>
Others	-2,220	-1,190	-1,540	-1,680	-5,140	-2,720	-2,857	-2,943
<b>CF from Operations incl. EO</b>	<b>20,900</b>	<b>23,380</b>	<b>36,040</b>	<b>19,320</b>	<b>22,520</b>	<b>29,441</b>	<b>32,758</b>	<b>37,525</b>
(Inc.)/Dec. in FA	-13,290	-13,450	-10,270	-17,560	-27,010	-30,000	-35,000	-30,000
<b>Free Cash Flow</b>	<b>7,610</b>	<b>9,930</b>	<b>25,770</b>	<b>1,760</b>	<b>-4,490</b>	<b>-559</b>	<b>-2,242</b>	<b>7,525</b>
(Pur.)/Sale of Investments	10,320	-4,970	6,050	6,380	2,980	-6	-7	-10
Others	2,870	300	370	410	1,080	2,720	2,857	2,943
<b>CF from Investments</b>	<b>-100</b>	<b>-18,120</b>	<b>-3,850</b>	<b>-10,770</b>	<b>-22,950</b>	<b>-27,286</b>	<b>-32,150</b>	<b>-27,068</b>
Issue of Shares	40	0	-4,000	50	0	0	0	0
Inc./(Dec.) in Debt	-13,870	120	-25,340	-5,800	6,670	8,588	1,102	-3,347
Interest Paid	-5,420	-4,680	-3,960	-2,320	-2,970	-3,688	-3,990	-3,922
Dividend Paid	-400	-930	0	-1,000	-1,690	-1,875	-2,437	-3,375
Others	0	-430	-450	-350	-330	0	0	0
<b>CF from Fin. Activity</b>	<b>-19,650</b>	<b>-5,920</b>	<b>-33,750</b>	<b>-9,420</b>	<b>1,680</b>	<b>3,025</b>	<b>-5,325</b>	<b>-10,644</b>
<b>Inc./Dec. in Cash</b>	<b>1,150</b>	<b>-660</b>	<b>-1,560</b>	<b>-870</b>	<b>1,250</b>	<b>5,180</b>	<b>-4,717</b>	<b>-186</b>
Opening Balance	3,540	4,690	4,030	2,470	1,600	2,850	8,030	3,313
<b>Closing Balance</b>	<b>4,690</b>	<b>4,030</b>	<b>2,470</b>	<b>1,600</b>	<b>2,850</b>	<b>8,030</b>	<b>3,313</b>	<b>3,127</b>

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](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

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

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

#### For Singapore

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

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

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

Contact: (+65) 8328 0276

#### Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

#### Analyst Certification

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

#### Terms & Conditions:

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

#### Disclaimer:

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

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

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

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

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

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

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

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