

Estimate changes



TP change



Rating change



Bloomberg	NEST IN
Equity Shares (m)	96
M.Cap.(INRb)/(USDb)	2326.7 / 28
52-Week Range (INR)	24229 / 17880
1, 6, 12 Rel. Per (%)	8/6/10
12M Avg Val (INR M)	1347

Financials & Valuations (INR b)

Y/E Dec	CY22	FY24E*	FY25E
Sales	169.0	246.2	229.0
Sales Gr. (%)	14.6	45.7	-7.0
EBITDA	37.1	57.4	54.6
Margin (%)	22.0	23.3	23.9
Adj. PAT	23.9	38.0	35.5
Adj. EPS (INR)	247.9	298.3	367.7
EPS Gr. (%)	3.1	20.3	23.3
BV/Sh.(INR)	255.0	253.4	281.1

Ratios

RoE (%)	105.2	155.0	137.6
RoCE (%)	98.6	144.8	129.3
Payout (%)	84.7	100.6	92.5

Valuations

P/E (x)	97.3	80.9	65.6
P/BV (x)	94.6	95.2	85.8
EV/EBITDA (x)	61.9	40.0	42.1
Div. Yield (%)	0.9	1.2	1.4

*Note: FY24 is 15-month period as the company changed its accounting year-end from December to March

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	62.8	26.6	40.1
DII	9.3	37.2	26.5
FII	12.1	24.8	21.0
Others	15.8	11.4	12.5

FII Includes depository receipts

CMP: INR24,132

TP: INR23,900 (-1%)

Neutral

Domestic sales growth momentum continues

- NEST reported 3QCY23 results that are broadly in line with expectations. Net sales grew 9.5% YoY, driven by double-digit growth in domestic sales. However, export sales declined by 9.6% YoY.
- GP margin expanded 380bp YoY to INR56.5% (est. 55.6%). Management pointed out that the costs of maize, sugar, oilseeds, and spices were adversely impacted by uneven rain, leading to volatility in these commodities. Additionally, there is a global supply deficit causing fluctuations in coffee prices. While milk prices remained stable, wheat and Robusta crops may have been affected by adverse weather conditions. The e-commerce channel continued to deliver robust growth, contributing to 6.1% of 3QCY23 sales.
- The board approves the share split in the ratio of 1:10. We value the stock at 65x Mar'25E EPS to arrive at our TP of INR23,900. We reiterate our **Neutral** stance on fair valuations.

Results broadly in line with estimates

- **NEST reported net sales growth of 9.5% YoY to INR50.3b (est. INR51.9b).** Domestic sales grew 10.3% YoY, led by a favorable product mix, volumes, and prices. Export sales declined 9.6% YoY to INR1.9b. OOI increased 8.6% to INR273m.
- Gross margin expanded ~380bp YoY to 56.5% (est. 55.6%).
- EBITDA margin expanded ~240bp YoY to 24.4% (est. 23.1%).
- **EBITDA** grew 21.6% YoY at INR12.3b (est. INR12b).
- **PBT** grew 23.6% YoY to INR11.2b (est. INR10.7b)
- Adj. PAT grew 20.7% YoY to INR8.1b (est. INR8b).
- The Reported PAT grew 37.3% YoY to INR9.1b. The company recorded exceptional items of INR 1,064.2m, reflecting a write-back of provisions previously allocated for indirect tax matters.
- **In 9MCY24**, Net sales/EBITDA/Adj. PAT grew 15%/22.2%/25.2%, respectively.
- The Board of Directors has announced a second **Interim dividend of INR 140**.
- The board has approved to a **share split in the ratio of 1:10**. The process is expected to be completed within 2 months from the date of approval from members.

Category performance

- **Prepared Dishes and Cooking Aids:** The category delivered strong growth, driven by a combination of market visibility, impactful media campaigns, and targeted consumer engagement initiatives, aided by innovation, especially for RURBAN markets.

Pratik Bipinchandra Prajapati – Research Analyst (Pratik.Prajapati@MotilalOswal.com)

Tanu Jindal – Research Analyst (Tanu.Jindal@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.

- Milk Products and Nutrition: It experienced robust double-digit growth. Customers have responded positively to MILKMAID and Peptamen. Nestle has recently launched a new product, Nestle a+ Masala Millet, featuring bajra in two variants, Tangy Tomato and Veggie.
- Confectionery delivered strong growth, driven by KITKAT and MUNCH. The performance was aided by consistent media support, digital first campaigns and a mega launch plan on KITKAT's premium portfolio.
- Beverages: All the key brands NESCAFE Classic, NESCAFE Sunrise, and NESCAFE GOLD delivered double-digit growth. Nescafe has the highest market share and strong household penetration.
- Pet Foods: Felix received good response from trade and cat parents.

Key highlights from the management commentary

- The revenue has surpassed the milestone of INR50b for the first time in any quarter.
- Out-Of-Home (OOH): It posted a strong double-digit growth, led by volume expansion. Consistent performance was driven by the transformation in products.
- **E-commerce** channel contributes 6.1% of quarterly sales, driven by Quick commerce. The organized retail trade delivered strong double-digit growth.
- Uneven rainfall and rain deficits have adversely impacted the production of maize, sugar, oilseeds, and spices, potentially affecting pricing. Global supply deficits have made the coffee market volatile. Weather conditions may also impact wheat and Robusta production. However, the anticipated healthy milk flush during winter is expected to maintain stable prices.
- The RURBAN strategy aims to expand its presence in underpenetrated small towns and large villages. The company is currently piloting the NESmitra app, designed to connect retailers with distributors.

Valuation and view

- There are no material changes to our FY24E* and FY25E EPS estimates.
- Nestle has a strong position in the domestic food market with an innovative product portfolio. It is focused on expanding out-of-home consumption and reaching rural markets, driving sustained double-digit earnings growth. Through substantial investments in capacity enhancement, brand support, and R&D initiatives, Nestle is well-positioned to capitalize on the vast opportunities in India's Packaged Foods segment, ensuring promising long-term revenue and earnings prospects.
- We value the company at **65x FY25E EPS** to arrive at our TP of **INR23,900**. We reiterate our **Neutral** rating on the stock.

Quarterly performance

(INR b)

Y/E December	CY22				FY24					CY22	FY24E*	Estimate	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	5QE			3QE	
Net Sales	39.9	40.5	46.0	42.6	48.3	46.6	50.4	48.2	52.7	169.0	246.2	51.9	-3.0%
YoY Change (%)	10.6	16.4	18.5	13.6	21.0	15.1	9.5	13.2	9.2	14.6	45.7	12.8	
Gross Profit	22.1	21.8	24.2	23.4	26.0	25.5	28.5	27.5	30.3	91.5	137.8	28.9	
Margin (%)	55.3	53.9	52.7	54.9	53.8	54.8	56.5	57.1	57.4	54.1	56.0	55.6	
EBITDA	9.3	8.4	10.1	9.8	11.1	10.6	12.3	11.3	12.1	37.1	57.4	12.0	2.5%
Margins (%)	23.2	20.9	21.9	22.9	23.0	22.7	24.4	23.4	23.0	22.0	23.3	23.1	
YoY Growth (%)	(0.3)	1.2	6.1	15.7	19.7	25.4	21.6	15.4	9.3	4.1	54.6	18.7	
Depreciation	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.2	4.0	5.6	1.2	
Interest	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.5	0.4	1.5	1.9	0.4	
Other income	0.2	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.3	1.0	1.6	0.3	
PBT	8.1	7.2	9.1	8.6	10.0	9.4	11.2	9.9	10.9	32.6	51.5	10.7	4.7%
Tax	2.1	1.9	2.4	2.3	2.5	2.4	3.1	2.6	2.8	8.7	13.5	2.7	
Rate (%)	26.2	25.5	26.3	26.8	25.3	25.6	28.0	25.8	26.0	26.6	26.2	25.5	
Adjusted PAT	6.0	5.4	6.7	6.3	7.5	7.0	8.1	7.4	8.0	23.9	38.0	8.0	1.1%
YoY Change (%)	(0.9)	2.9	7.4	11.6	25.8	30.0	20.7	16.7	7.0	3.1	58.9	19.4	

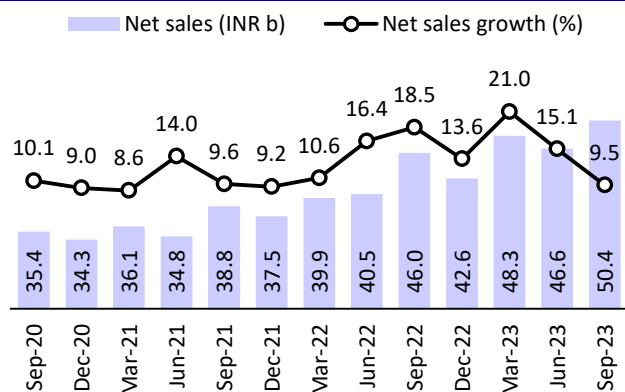
Key Performance Indicators

Y/E December	CY22				FY24E*		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
2Y average growth (%)							
Sales	9.6	15.2	14.1	11.4	15.8	15.8	14.0
EBITDA	7.9	5.6	6.0	13.6	9.7	13.3	13.9
PAT	6.1	4.2	5.3	16.9	12.5	16.5	14.0
% of Sales							
COGS	44.7	46.1	47.3	45.1	46.2	45.2	43.5
Employee Expenses	10.0	10.1	9.1	9.6	9.4	9.8	10.3
Other Expenses	22.1	22.9	21.6	22.4	21.4	22.3	21.8
Depreciation	2.6	2.5	2.1	2.3	2.1	2.3	2.2
YoY change (%)							
COGS	19.2	24.8	26.6	19.0	25.0	12.8	0.6
Employee Expenses	8.2	8.4	8.2	4.6	87.4	-5.3	-7.4
Other Expenses	8.2	20.3	20.9	5.7	79.6	-11.2	-9.5
Other Income	-27.7	-34.3	-9.0	8.0	57.1	23.6	8.6
EBIT	-1.7	0.5	6.4	18.9	22.6	28.1	22.6

E: MOFSL Estimates

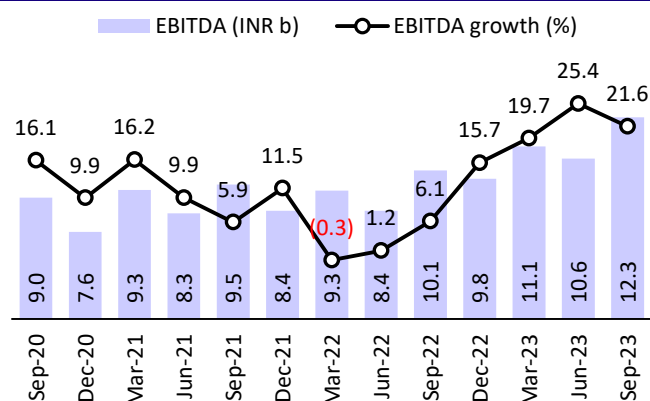
Key Exhibits

Exhibit 1: Net sales up 9.5% YoY to INR50.4b

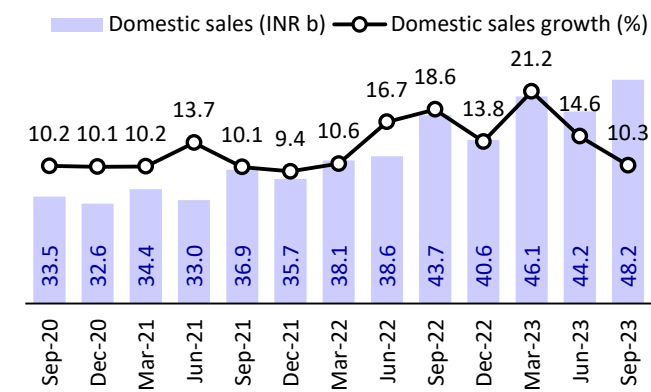


Sources: Company reports, MOFSL

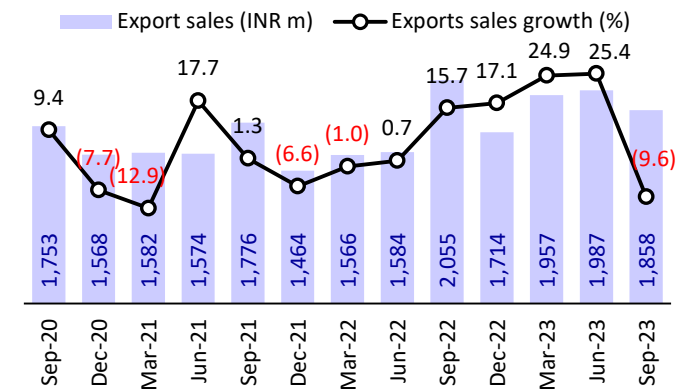
Exhibit 2: EBITDA rose 21.6% YoY to INR12.3b



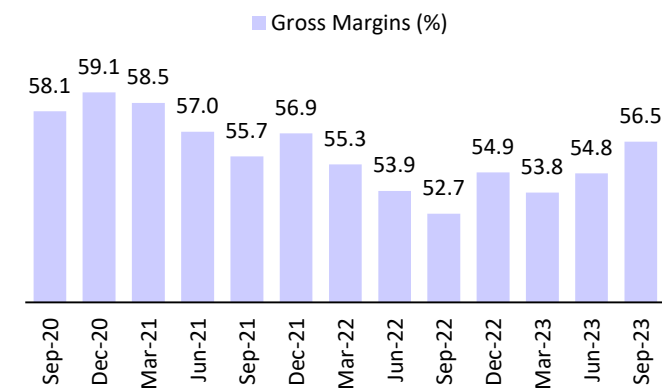
Source: Company reports, MOFSL

Exhibit 3: Domestic sales rose 10.3% YoY to INR48.2b

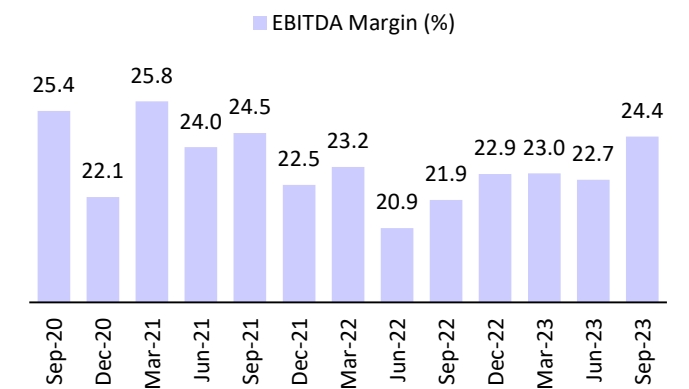
Sources: Company reports, MOFSL

Exhibit 4: Exports decline 9.6% YoY to INR1,858m

Sources: Company reports, MOFSL

Exhibit 5: Gross margin expanded ~380bp YoY to 56.5%

Sources: Company reports, MOFSL

Exhibit 6: EBITDA margin expanded ~240bp YoY at 24.4%

Sources: Company reports, MOFSL

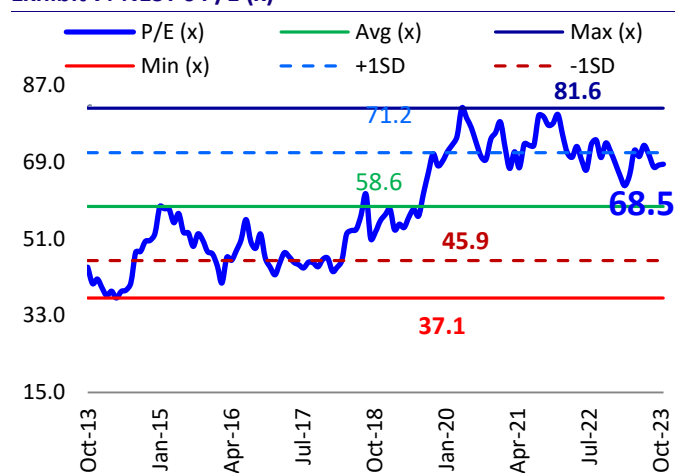
Valuation and view

What has happened over the last 10 years?

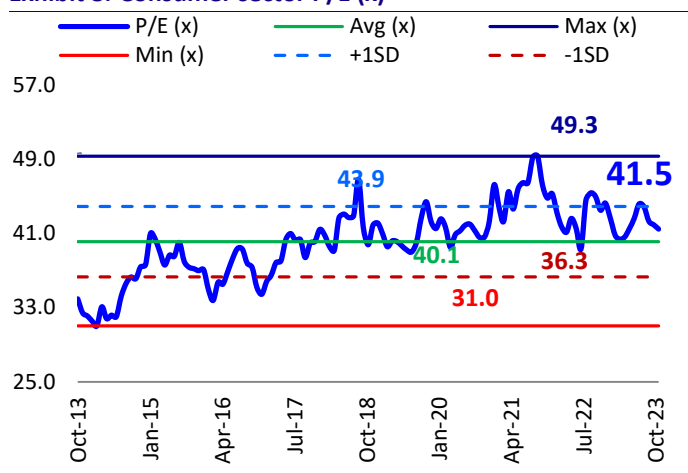
- After a period of weak growth on all fronts in the first half of the decade, NEST has shown significant improvement in the second half, especially in the last four years.
- Its decadal performance has been modest, with sales/EBITDA/PAT CAGRs in the 7-9% range over CY12-22.
- Over the past five years, the company has experienced accelerated growth (~11% sales CAGR). Additionally, the EBITDA/PAT CAGR stood at 11%/14%, despite facing various macro disruptions, including demonetization, GST rollout, the Covid-19 pandemic, and commodity cost headwinds, which have had an adverse impact on the FMCG sector.
- Starting with damage control since the Maggi crisis in CY15, the management has initiated a series of measures, including: a) focus on volume-led, double-digit sales growth, b) over 90 product launches since CY16, c) back-up launches, with a sharp increase in ad spends, and d) focus on distribution expansion (more recently).

Reiterate Neutral rating

- There are no material changes to our FY24E* and FY25E EPS estimates.
- Nestle has a strong position in the domestic food market with an innovative product portfolio. It is focused on expanding out-of-home consumption and reaching rural markets, driving sustained double-digit earnings growth. Through substantial investments in capacity enhancement, brand support, and R&D initiatives, Nestle is well-positioned to capitalize on the vast opportunities in India's Packaged Foods segment, ensuring promising long-term revenue and earnings prospects.
- We value the company at **65x FY25E EPS** to arrive at our **TP of INR23,900**. We reiterate our **Neutral** rating on the stock.

Exhibit 7: NEST's P/E (x)

Sources: Company reports, MOFSL

Exhibit 8: Consumer sector P/E (x)

Sources: Company reports, MOFSL

Exhibit 9: No material change in our estimates

	Old		New		Change (%)	
	FY24*E	FY25E	FY24E	FY25E	FY24E	FY25E
Sales	246.2	229.0	248.5	228.6	-0.9	0.2
EBITDA	57.4	54.6	57.3	53.7	0.2	1.7
PAT	38.0	35.5	38.0	34.8	0.1	1.9

Source: MOFSL

Financials and valuations

Income Statement

Y/E December	CY17	CY18	CY19	CY20	CY21	CY22	FY24*	FY25
Net Sales	100.1	112.9	123.7	133.5	147.4	169.0	246.2	229.0
Change (%)	9.5	12.8	9.5	7.9	10.4	14.6	45.7	-7.0
Gross Profit	56.8	67.0	71.4	76.8	83.9	91.5	137.8	131.0
Margin (%)	56.8	59.4	57.8	57.5	56.9	54.1	56.0	57.2
Other Expenditure	34.6	39.7	42.4	44.6	48.3	54.3	80.4	76.3
EBITDA	22.2	27.3	29.1	32.2	35.7	37.1	57.4	54.6
Change (%)	9.4	23.0	6.3	10.7	10.9	4.1	54.6	-4.8
Margin (%)	22.2	24.2	23.5	24.1	24.2	22.0	23.3	23.9
Depreciation	3.4	3.4	3.7	3.7	3.9	4.0	5.6	6.3
Int. and Fin. Ch.	0.9	1.1	1.3	1.6	2.0	1.5	1.9	1.8
Other Inc.- Rec.	1.8	2.6	2.5	1.5	1.2	1.0	1.6	1.3
PBT	19.6	25.4	26.5	28.3	30.9	32.6	51.5	47.8
Change (%)	13.1	29.5	4.3	6.6	9.4	5.2	58.1	-7.0
Margin (%)	19.6	22.5	21.4	21.2	21.0	19.3	20.9	20.9
Tax	6.1	8.2	7.1	7.3	7.7	8.7	13.5	12,392
Tax Rate (%)	31.3	32.3	26.6	25.8	25.0	26.6	26.2	25.9
Adjusted PAT	13.5	17.2	19.5	21.0	23.2	23.9	38.0	35.5
Change (%)	13.2	27.5	13.1	7.6	10.6	3.1	58.9	-6.7
Margin (%)	13.5	15.2	15.7	15.7	15.7	14.1	15.4	15.5
Non-rec. (Exp)/Inc.	1.2	1.1	0.2	0.1	2.0	0.0	0.0	0.0
Reported PAT	12.3	16.1	19.2	20.8	21.2	23.9	38.0	35.5

Balance Sheet

Y/E December	2017	2018	2019	2020	2021	2022	2023E	FY25
Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	33.2	35.8	18.2	19.2	19.9	23.6	23.5	26.1
Net Worth	34.2	36.7	19.2	20.2	20.8	24.6	24.4	27.1
Loans	0.4	0.4	0.5	1.5	2.7	2.7	2.7	2.7
Capital Employed	34.6	37.1	19.7	21.7	23.5	27.3	27.1	29.8
Gross Block	33.6	34.9	34.9	40.0	51.2	54.7	67.7	86.7
Less: Accum. Depn.	7.4	10.8	13.8	18.2	21.2	24.3	29.2	35.5
Net Fixed Assets	26.2	24.0	21.1	21.8	29.9	30.4	38.5	51.3
Capital WIP	0.9	1.1	1.4	6.4	2.5	3.6	3.6	3.6
Investments	19.8	26.6	18.3	15.5	22.2	22.2	22.8	19.8
Current	13.9	19.3	10.1	7.2	0.6	2.2	2.4	1.4
Non-current	5.9	7.3	8.2	8.3	21.6	20.1	20.5	18.4
Curr. Assets, L&A	26.7	29.2	30.9	35.1	27.2	33.3	31.0	33.5
Inventory	9.0	9.7	12.8	14.2	15.8	19.3	17.2	20.3
Account Receivables	0.9	1.2	1.2	1.6	1.7	1.9	1.6	1.9
Cash and Bank Balance	14.6	16.1	13.1	17.7	7.4	9.5	8.9	7.7
Others	2.2	2.2	3.7	1.6	2.4	2.6	3.4	3.6
Curr. Liab. and Prov.	37.8	43.2	51.9	57.3	58.6	62.5	69.1	78.6
Account Payables	9.8	12.4	14.9	15.2	17.3	19.3	23.5	26.6
Other Liabilities	4.2	4.6	7.0	8.4	7.0	9.5	7.7	9.1
Provisions	23.8	26.2	29.9	33.7	34.2	33.7	37.9	43.0
Net Curr. Assets	-11.1	-14.0	-21.0	-22.2	-31.4	-29.2	-38.1	-45.2
Def. Tax Liability	-1.2	-0.6	-0.1	0.2	0.3	0.3	0.3	0.3
Appl. of Funds	34.6	37.1	19.7	21.7	23.5	27.3	27.1	29.8

Financials and valuations

Ratios

Y/E December	2017	2018	2019	2020	2021	2022	2023E	FY25
Basic (INR)								
EPS	140.0	178.6	202.0	217.4	240.6	247.9	298.3	367.7
Cash EPS	175.5	213.4	240.4	255.8	281.1	289.7	349.1	432.6
BV/Share	354.8	381.0	199.0	209.4	216.2	255.0	253.4	281.1
DPS	86.0	115.0	342.0	200.0	200.0	210.0	300.0	340.0
Payout (%)	61.4	64.4	169.3	92.0	83.1	84.7	100.6	92.5
Valuation (x)								
P/E	172.3	135.1	119.4	110.9	100.3	97.3	80.9	65.6
Cash P/E	137.4	113.0	100.3	94.3	85.8	83.3	69.1	55.8
EV/Sales	22.9	20.2	18.6	17.2	15.6	13.6	9.3	10.0
EV/EBITDA	103.2	83.6	79.0	71.3	64.5	61.9	40.0	42.1
P/BV	68.0	63.3	121.2	115.2	111.6	94.6	95.2	85.8
Dividend Yield (%)	0.4	0.5	1.4	0.8	0.8	0.9	1.2	1.4
Return Ratios (%)								
RoE	40.3	48.5	69.7	106.5	113.0	105.2	155.0	137.6
RoCE	41.7	50.2	71.9	107.2	109.4	98.6	144.8	129.3
Working Capital Ratios								
Debtor (Days)	3.2	4.1	3.7	4.5	4.1	4.2	3.0	3.0
Asset Turnover (x)	2.8	3.1	4.3	6.5	6.6	6.7	7.2	8.1
Leverage Ratio								
Debt/Equity (x)	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1

Cash Flow Statement

Y/E December	2017	2018	2019	2020	2021	2022	2023E	FY25
(INR b)								
OP/(loss) before Tax	18.4	24.3	26.7	28.1	28.8	32.6	38.6	47.8
Int./Div. Received	1.4	2.5	2.4	1.4	1.2	0.5	1.2	1.3
Depn. and Amort.	3.4	3.4	3.7	3.7	3.9	4.0	4.9	6.3
Interest Paid	0.0	0.0	0.0	0.2	0.0	0.0	1.7	1.8
Direct Taxes Paid	6.0	8.8	6.7	7.0	7.3	8.4	9.8	12.4
Incr in WC	3.7	4.1	1.6	1.0	-1.5	-0.3	8.3	5.9
CF from Operations	18.2	20.5	23.0	24.5	22.7	27.4	42.4	48.2
Others	0.6	-2.6	11.7	4.4	-5.6	2.5	1.2	1.3
Incr in FA	2.0	1.6	1.5	4.7	7.3	5.4	13.0	19.0
Free Cash Flow	16.2	18.9	21.4	19.8	15.4	22.0	29.4	29.2
Pur of Investments	1.1	1.6	0.2	0.0	0.0	1.2	0.6	-3.0
CF from Invest.	-2.4	-5.8	10.0	-0.4	-12.9	-4.0	-12.4	-14.7
Incr in Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Paid	8.3	10.9	29.5	18.9	19.3	20.2	28.9	32.8
Others	-1.7	-2.3	-6.5	-0.7	-0.9	-1.0	-1.7	-1.8
CF from Fin. Activity	-10.0	-13.2	-36.0	-19.6	-20.2	-21.2	-30.6	-34.6
Incr/Decr of Cash	5.8	1.5	-3.0	4.6	-10.3	2.1	-0.6	-1.2
Add: Opening Balance	8.8	14.6	16.1	13.1	17.7	7.4	9.5	8.9
Closing Balance	14.6	16.1	13.1	17.7	7.4	9.5	8.9	7.7

E: MOFSL Estimates

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

NOTES

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. 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") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

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, 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 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.