

## ESTIMATE CHANGE

TP change

Rating change



**CMP: INR1,275 TP: INR1,450 (+14%)**

**Buy**

## Weak operating performance

### Stock Info

Bloomberg	TCIEXP IN
Equity Shares (m)	38
M.Cap.(INRb)/(USD\$b)	48.9 / 0.6
52-Week Range (INR)	1701 / 1250
1, 6, 12 Rel. Per (%)	-6/-22/-37
12M Avg Val (INR M)	57

### Financials Snapshot (INR b)

Y/E March	2024E	2025E	2026E
Net Sales	12.7	13.9	15.9
EBITDA	1.9	2.2	2.6
Adj. PAT	1.4	1.6	1.9
EBITDA Margin (%)	15.3	16.2	16.6
Adj. EPS (INR)	35.7	41.3	48.4
EPS Gr. (%)	-1.7	15.4	17.4
BV/Sh. (INR)	183	217	257

### Ratios

Net D/E (x)	-0.1	0.0	0.0
RoE (%)	21.1	20.6	20.4
RoCE (%)	20.9	20.5	20.3
Payout (%)	22.4	19.4	16.5

### Valuations

P/E (x)	35.7	30.9	26.3
P/BV (x)	7.0	5.9	5.0
EV/EBITDA (x)	24.7	21.3	18.0
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	2.0	1.1	1.1

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	69.6	69.6	66.9
DII	8.4	8.9	10.4
FII	2.9	3.0	1.7
Others	19.1	17.9	21.0

FII Includes depository receipts

- TCI Express (TCIE)'s 3QFY24 revenues stood flat YoY at ~INR3.1b (8% below our estimate). The volumes were adversely impacted by the weak macroeconomic environment, muted festive demand, and the long holiday season during the quarter. Volumes in 3QFY24 stood at 0.25m tonnes (-1% YoY), while realization stood at INR 12,474 per ton (flat YoY and down 2% QoQ).
- EBITDA for the quarter stood at INR456m with a margin of 14.6% (vs. our estimate of 16.3%). Margins were adversely impacted by lower volumes handled.
- PAT stood at INR356m (vs. our estimate of INR 391m).
- During 9MFY24, revenue stood at INR 9.4b (up 2% YoY); EBITDA stood at INR 1.4b (up 1% YoY); EBITDA margin stood at 15.2% (flat YoY); and APAT stood at INR 1b (flat YoY). TCIE handled 0.74m tonnes of volumes in 9MFY24 (down 3% YoY).
- TCIE generated cash flow from operation (CFO) of INR 750m in 9MFY24 with CFO-to-EBITDA ratio at 51%.
- In 9MFY24, TCIE incurred a total capex of INR 250m, primarily spent on the expansion of its branch network and automation and ramping up of IT infrastructure. TCIE aims for a capex of INR 400m in FY24.
- In line with muted volume growth in 9MFY24 and subdued near-term outlook, we reduce our revenue/EBITDA/EPS estimates for FY24/FY25/FY26 by 4%/8%/8%. We expect TCIE to clock volume growth of 7% over FY23-26 and revenue/EBITDA CAGR of 9%/11% over FY23-26. This growth will be facilitated by the implementation of automation and the expansion of the branch network, leading to enhanced operational efficiencies. We reiterate our BUY rating with a revised TP of INR1,450 (based on 30x FY26E EPS).

## Highlights from the management commentary

- Despite continued headwinds on account of muted festive demand and the long holiday season in 3QFY24, capacity utilization stood at 83.5%.
- Volumes handled in Dec'23 was notably disappointing due to the long holidays. Management is not expecting any significant upswing in 4QFY24, given that manufacturing activity shows no major signs of improvement.
- The ongoing automation in the Pune sorting center is on track for completion by the end of FY24 and this will enhance the company's operational efficiencies and margins in the forthcoming quarters. After the automation of the Pune sorting centre, management is planning to fully automate the Ahmedabad sorting centre in FY25, and then, the Mumbai and Chennai sorting centres in FY26. This strategic move is expected to significantly reduce downtime, streamline processes, and improve overall operational efficiency.
- Total contribution of value-added services now stands at ~17%, compared to 15% in Jun'23. The management targets to increase the share of value-added services to 25% of the total revenue by FY25.

**Alok Deora - Research analyst** (Alok.Deora@motilaloswal.com)

**Saurabh Dugar - Research analyst** (Saurabh.Dugar@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.

- TCIE aims to achieve an annual margin expansion of 50bp in 4QFY24. Utilization is expected to remain above 85%.
- Rail Express is getting good traction from customers, and the company has expanded its customer base to 4,000 with the presence on 125 routes to cater to the growing demand.

### Valuation and view

- Volume growth in FY24 for both the industry and the company has been affected by the weak economic environment and elevated operating expenses, with the persistently high inflation rates and fuel prices.
- With muted volume growth in 9MFY24 and subdued outlook, we reduce our estimates for FY24/FY25/FY26. We expect TCIE to clock 7% volume CAGR and revenue/EBITDA/PAT CAGR of 9%/11%/10% over FY23-26. **We reiterate our BUY rating with a revised TP of INR1,450 (based on 30x FY26E EPS).**

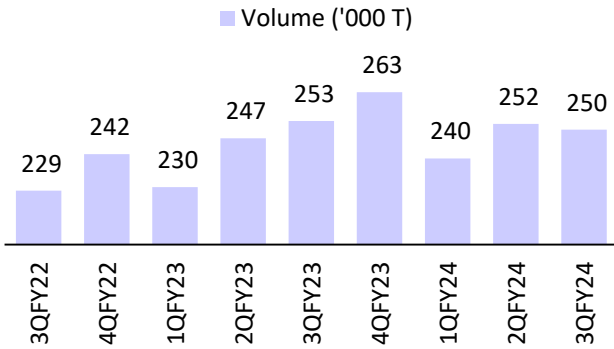
### Quarterly snapshot

	INR m											Var. vs Est
	FY23				FY24E				FY23	FY24E	FY24	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
<b>Net Sales</b>	<b>2,904</b>	<b>3,099</b>	<b>3,144</b>	<b>3,263</b>	<b>3,049</b>	<b>3,200</b>	<b>3,119</b>	<b>3,354</b>	<b>12,410</b>	<b>12,722</b>	<b>3,400</b>	<b>(8)</b>
YoY Change (%)	30.3	13.3	9.6	9.4	5.0	3.3	-0.8	2.8	14.8	2.5	8.1	
<b>EBITDA</b>	<b>428</b>	<b>515</b>	<b>461</b>	<b>541</b>	<b>464</b>	<b>505</b>	<b>456</b>	<b>518</b>	<b>1,945</b>	<b>1,942</b>	<b>554</b>	<b>(18)</b>
Margins (%)	14.7	16.6	14.7	16.6	15.2	15.8	14.6	15.4	15.7	15.3	16.3	
YoY Change (%)	33.4	13.7	-2.3	7.8	8.4	-2.0	-1.1	-4.4	11.3	-0.2	20.3	
Depreciation	33	35	43	42	46	47	48	41	153	182	48	
Interest	3	4	4	7	4	4	3	7	18	18	5	
Other Income	19	23	13	17	15	18	20	22	72	75	21	
<b>PBT before EO expense</b>	<b>411</b>	<b>499</b>	<b>427</b>	<b>509</b>	<b>429</b>	<b>472</b>	<b>424</b>	<b>492</b>	<b>1,845</b>	<b>1,816</b>	<b>522</b>	<b>(19)</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>411</b>	<b>499</b>	<b>427</b>	<b>509</b>	<b>429</b>	<b>472</b>	<b>424</b>	<b>492</b>	<b>1,845</b>	<b>1,816</b>	<b>522</b>	<b>(19)</b>
Tax	101	121	106	124	105	116	103	124	453	447	132	
Rate (%)	24.5	24.3	24.9	24.4	24.6	24.5	24.2	25.2	24.5	24.6	25.2	
<b>Reported PAT</b>	<b>310</b>	<b>378</b>	<b>320</b>	<b>385</b>	<b>323</b>	<b>356</b>	<b>322</b>	<b>368</b>	<b>1,393</b>	<b>1,369</b>	<b>391</b>	<b>(18)</b>
<b>Adj PAT</b>	<b>310</b>	<b>378</b>	<b>320</b>	<b>385</b>	<b>323</b>	<b>356</b>	<b>322</b>	<b>368</b>	<b>1,393</b>	<b>1,369</b>	<b>391</b>	<b>(18)</b>
YoY Change (%)	30.5	11.0	-8.8	7.0	4.3	-5.8	0.5	-4.3	8.1	-1.7	22.0	
Margins (%)	10.7	12.2	10.2	11.8	10.6	11.1	10.3	11.0	11.2	10.8	11.5	

E: MOFSL Estimates

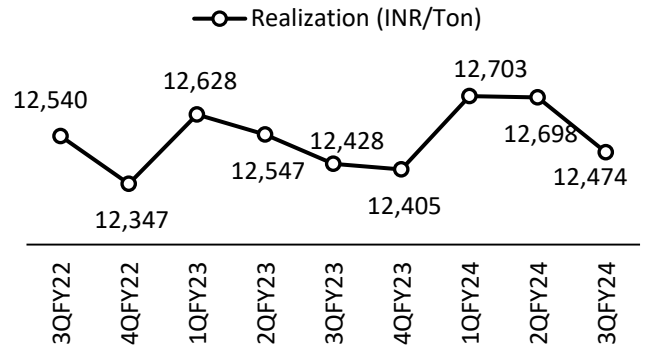
## The quarter in charts

**Exhibit 1: Volume decreased 1% YoY**



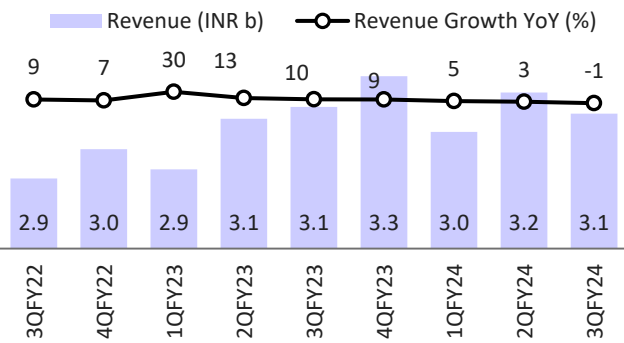
Source: Company, MOFSL

**Exhibit 2: Realizations flattish YoY**



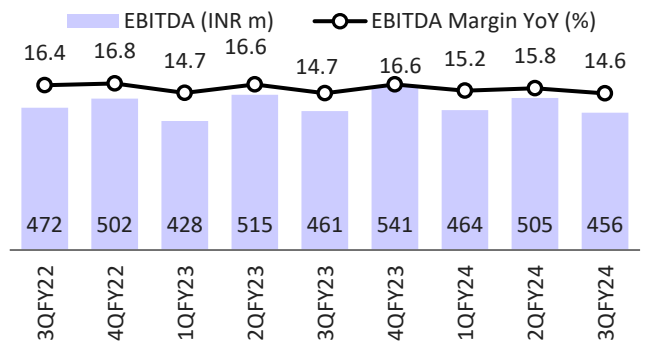
Source: Company, MOFSL

**Exhibit 3: Revenue was flat YoY**



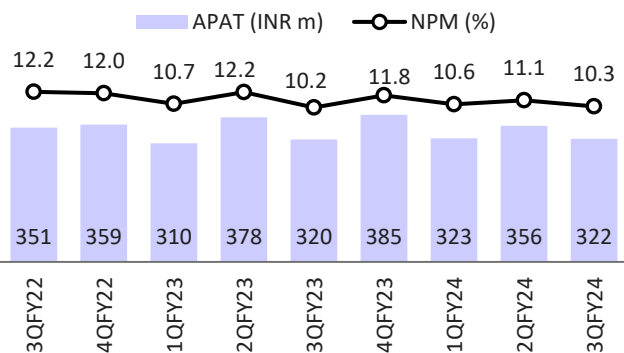
Source: Company, MOFSL

**Exhibit 4: EBITDA margins trend**



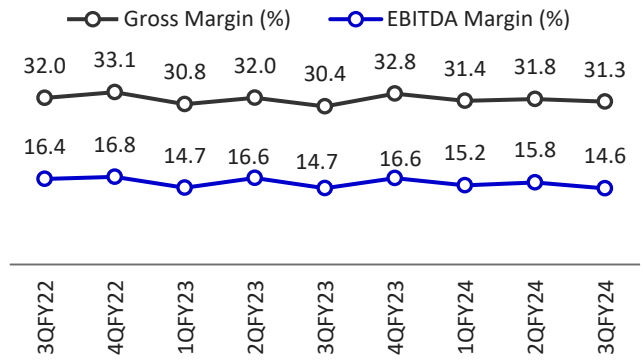
Source: Company, MOFSL

**Exhibit 5: PAT and PAT margin trends**



Source: Company, MOFSL

**Exhibit 6: Muted volumes dragged EBITDA margins**



Source: Company, MOFSL

## Highlights from our interaction with the management

### Operational highlights

- Volume in 3QFY24 stood at 0.25m tonnes (down 1% YoY). Apart from the pharma and engineering sectors, all other sectors experienced a slowdown in 3QFY24.
- Total contribution of value-added services now stands at 17% (flat QoQ). The management expects 20-25% contribution to revenue from new value-added services by FY25.
- The utilization level stood at 83.5% in 3QFY24 and TCIE aims for similar levels in FY24.
- TCIE generated CFO of INR 750m in 9MFY24.
- In 9MFY24, a capex of INR 250m was invested in expanding the branch network, implementing automation, and enhancing IT infrastructure.
- The average fleet size in the mid-mile segment is 15-16 tons, with 2,000 trucks currently in use.
- The ongoing automation in the Pune sorting center is on track for completion by the end of FY24 and will enhance the company's operational efficiencies and margins in the forthcoming quarters.
- After the automation of the Pune sorting centre, the management is planning to fully automate the Ahmedabad sorting centre in FY25, and then, the Mumbai and Chennai sorting centres in FY26. This strategic move is expected to significantly reduce downtime, streamline processes, and improve overall operational efficiency.
- 15 new branches were added in 9MFY24 to deepen the presence in key growing markets of West and North region, enhancing market reach and customer accessibility for the company.

### Rail Express

- TCIE has expanded its customer base notably in Rail express to 4,000 from 250 and increased its presence to 125 routes from 10 routes since inception.
- Newly launched services offerings are expected to contribute positively to the company's revenue in the coming quarters, enabling TCIE to deliver higher margin levels with sustainable growth.

### Cold Chain business

- TCIE continues to follow the asset-light model for cold chain business.
- It is undertaking only pharma cold chain business.
- Margin in the cold chain business is in the range of 18-20%, and similar margins can be expected for FY25.

### Guidance

- For FY24, TCIE aims to achieve a volume growth of 3-4% in FY24 without any hike in realization. Furthermore, low single-digit revenue growth is expected in 4QFY24, with an outlook for double-digit revenue growth in FY25.
- Margins in 4QFY24 are expected to improve 50bp sequentially, witnessing traction in Jan-Feb 2024. Despite the challenges faced in FY24, revenue and EBITDA are projected to remain consistent with those of 3QFY24.
- The management has indicated to grow at 2x of GDP in the long run.

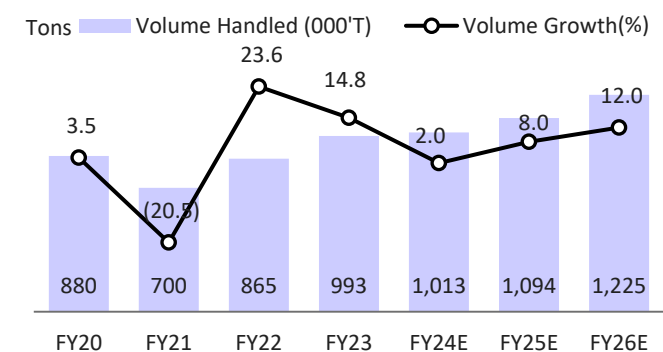
- Management has highlighted that the inflation rate, interest rate, and fuel charges are the key monitorables. Any changes in these factors will adversely impact the industry's and the company's performance in FY25 and FY26.
- There is a planned capex of INR5b in five years (FY23-FY28). Incurred capex of INR 1.25b in FY23 and INR 250m in 9MFY24. The remaining capex of INR 3.8b will focus on enhancing sorting centers, implementing automation, and improving technological capabilities.
- By FY26, the company plans to establish 7-8 fully automated centers. Each of these centers requires a capex of ~INR500m to achieve full automation.
- The MSME sector is expected to play a significant role. The automotive sector has experienced a positive cycle, although it remains cyclical. IT and Technology sectors are also expected to contribute significantly.

**Exhibit 7: Our revised forecasts**

(INR m)	FY24E			FY25E			FY26E		
	Rev	Old	Chg(%)	Rev	Old	Chg(%)	Rev	Old	Chg(%)
Net Sales	12,722	13,289	-4.3	13,877	15,046	-7.8	15,853	17,172	-7.7
EBITDA	1,942	2,122	-8.5	2,242	2,469	-9.2	2,627	2,856	-8.0
EBITDA Margin (%)	15.3	16.0	-70	16.2	16.4	-26	16.6	16.6	-6
PAT	1,369	1,499	-8.7	1,580	1,772	-10.8	1,855	2,048	-9.4
EPS (INR)	35.7	39.1	-8.7	41.3	46.3	-10.8	48.4	53.5	-9.4

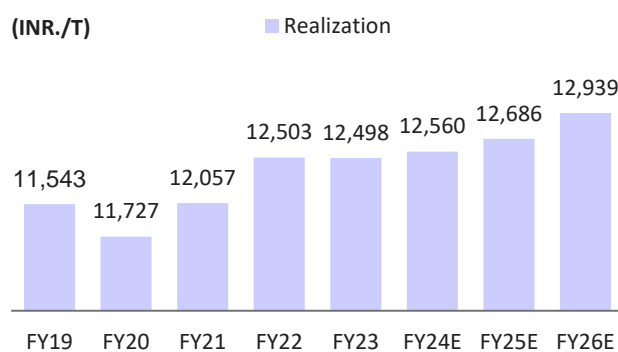
## Financial story in charts

**Exhibit 8: Volumes to register a CAGR of 7% over FY23-26**



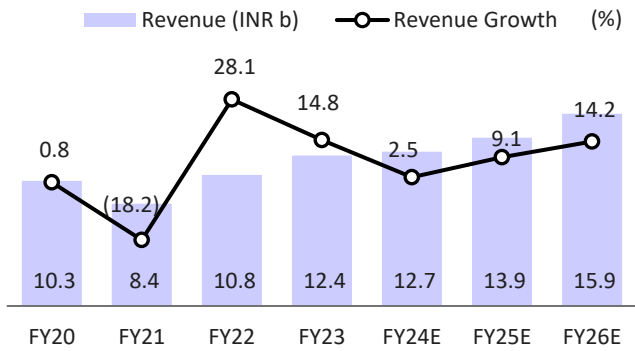
Source: Company, MOFSL

**Exhibit 9: Realization to pick up with price hikes**



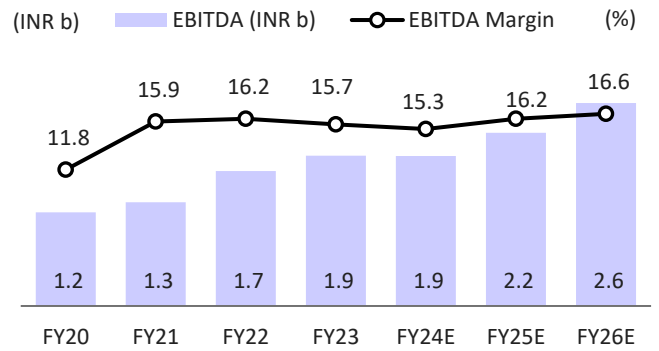
Source: Company, MOFSL

**Exhibit 10: Revenue growth led primarily by tonnage growth**



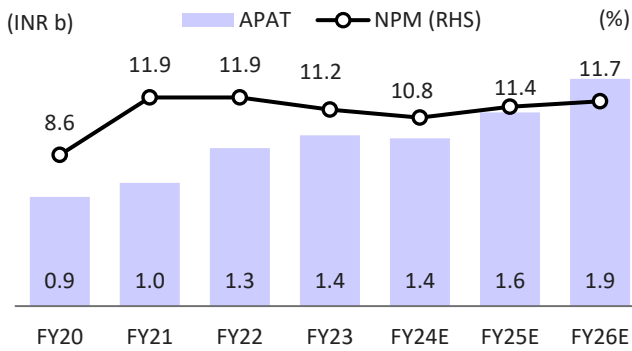
Source: Company, MOFSL

**Exhibit 11: EBITDA expected to improve with increasing hub efficiencies and lower rental cost**



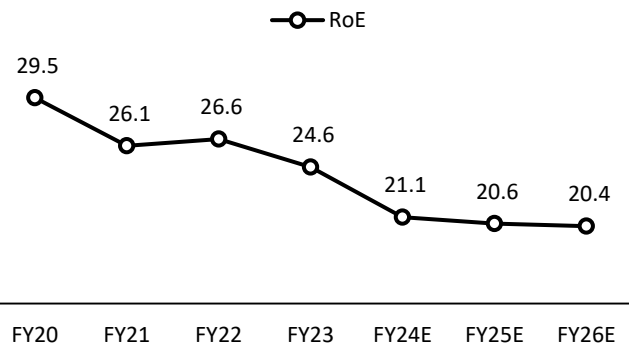
Source: Company, MOFSL

**Exhibit 12: Improvement in operational efficiency to drive profitability**



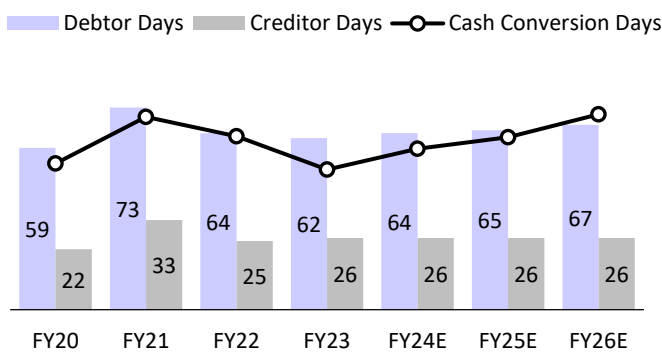
Source: Company, MOFSL

**Exhibit 13: RoE to hover ~20% through FY24-26**



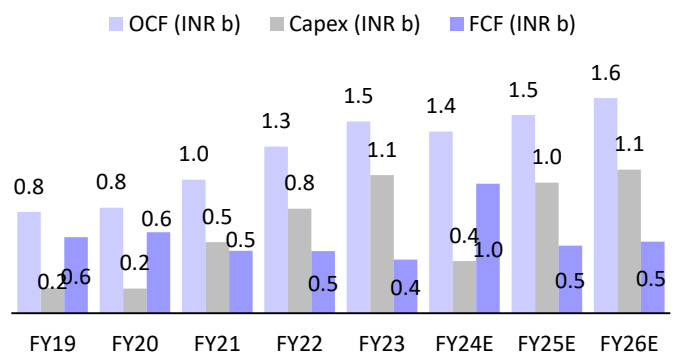
Source: Company, MOFSL

**Exhibit 14: Comfortable working capital position**



Source: Company, MOFSL

**Exhibit 15: Cash generation to remain healthy**



Source: Company, MOFSL

## Financials and valuations

### Income Statement

Y/E March (INR m)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>10,320</b>	<b>8,440</b>	<b>10,815</b>	<b>12,410</b>	<b>12,722</b>	<b>13,877</b>	<b>15,853</b>
Change (%)	0.8	-18.2	28.1	14.8	2.5	9.1	14.2
Gross Margin (%)	28.9	32.9	32.2	31.5	31.7	33.6	33.0
<b>EBITDA</b>	<b>1,213</b>	<b>1,343</b>	<b>1,747</b>	<b>1,945</b>	<b>1,942</b>	<b>2,242</b>	<b>2,627</b>
Margin (%)	11.8	15.9	16.2	15.7	15.3	16.2	16.6
Depreciation	78	90	100	153	182	194	222
<b>EBIT</b>	<b>1,135</b>	<b>1,254</b>	<b>1,648</b>	<b>1,792</b>	<b>1,760</b>	<b>2,048</b>	<b>2,406</b>
Int. and Finance Charges	9	8	9	18	18	16	13
Other Income	44	77	82	72	75	81	87
<b>PBT</b>	<b>1,170</b>	<b>1,322</b>	<b>1,720</b>	<b>1,845</b>	<b>1,816</b>	<b>2,113</b>	<b>2,480</b>
Tax	279	316	432	453	447	532	625
Effective Tax Rate (%)	23.9	23.9	25.1	24.5	24.6	25.2	25.2
<b>Reported PAT</b>	<b>891</b>	<b>1,006</b>	<b>1,289</b>	<b>1,393</b>	<b>1,369</b>	<b>1,580</b>	<b>1,855</b>
Change (%)	22.3	12.9	28.1	8.1	-1.7	15.4	17.4
Margin (%)	8.6	11.9	11.9	11.2	10.8	11.4	11.7

### Balance Sheet

Y/E March (INR m)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	77	77	77	77	77	77	77
Total Reserves	3,296	4,262	5,285	5,887	6,950	8,223	9,772
<b>Net Worth</b>	<b>3,373</b>	<b>4,339</b>	<b>5,362</b>	<b>5,964</b>	<b>7,026</b>	<b>8,300</b>	<b>9,848</b>
Deferred Tax Liabilities	41	54	79	105	105	105	105
Total Loans	40	21	11	46	47	49	54
<b>Capital Employed</b>	<b>3,454</b>	<b>4,413</b>	<b>5,452</b>	<b>6,114</b>	<b>7,178</b>	<b>8,454</b>	<b>10,007</b>
Gross Block	2,126	2,629	3,628	4,242	4,642	5,642	6,742
Less: Accum. Deprn.	272	345	430	501	683	877	1,099
<b>Net Fixed Assets</b>	<b>1,854</b>	<b>2,284</b>	<b>3,198</b>	<b>3,741</b>	<b>3,959</b>	<b>4,765</b>	<b>5,643</b>
Capital WIP	230	278	61	611	611	611	611
<b>Total Investments</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>2,222</b>	<b>2,894</b>	<b>3,301</b>	<b>2,987</b>	<b>3,869</b>	<b>4,455</b>	<b>5,327</b>
Inventory	0	0	0	0	0	0	0
Account Receivables	1,658	1,695	1,895	2,115	2,231	2,471	2,910
Cash and Bank Balances	126	272	180	164	909	1,188	1,508
Loans and Advances	92	108	95	99	101	111	126
Others	346	819	1,130	610	628	685	783
<b>Current Liab. and Prov.</b>	<b>861</b>	<b>1,052</b>	<b>1,119</b>	<b>1,235</b>	<b>1,266</b>	<b>1,381</b>	<b>1,578</b>
Account Payables	620	752	737	884	906	989	1,129
Other Current Liabilities	195	257	326	300	307	335	383
Provisions	47	43	56	51	52	57	65
<b>Net Current Assets</b>	<b>1,360</b>	<b>1,842</b>	<b>2,182</b>	<b>1,752</b>	<b>2,603</b>	<b>3,074</b>	<b>3,749</b>
<b>Application of Funds</b>	<b>3,454</b>	<b>4,413</b>	<b>5,452</b>	<b>6,114</b>	<b>7,178</b>	<b>8,454</b>	<b>10,007</b>

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>							
EPS	23.3	26.3	33.6	36.4	35.7	41.3	48.4
EPS growth (%)	22.3	12.9	28.1	8.1	-1.7	15.4	17.4
Cash EPS	25.3	28.6	36.2	40.4	40.5	46.3	54.2
BV/Share	88.0	113.3	140.0	155.7	183.4	216.7	257.1
DPS	4.0	4.0	8.0	8.0	8.0	8.0	8.0
Payout (incl. Div. Tax, %)	23.9	15.3	23.8	22.0	22.4	19.4	16.5
<b>Valuation (x)</b>							
P/E	54.8	48.5	37.9	35.1	35.7	30.9	26.3
Cash P/E	50.4	44.6	35.2	31.6	31.5	27.5	23.5
EV/EBITDA	40.2	36.2	27.8	25.0	24.7	21.3	18.0
EV/Sales	4.7	5.8	4.5	3.9	3.8	3.4	3.0
P/BV	14.5	11.3	9.1	8.2	7.0	5.9	5.0
Dividend Yield (%)	0.3	0.3	0.6	0.6	0.6	0.6	0.6
<b>Return Ratios (%)</b>							
RoE	29.5	26.1	26.6	24.6	21.1	20.6	20.4
RoCE	28.6	25.7	26.3	24.4	20.9	20.5	20.3
RoIC	30.2	27.5	27.3	25.7	24.1	24.9	24.8
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	5.1	3.5	3.5	3.2	2.9	2.7	2.6
Asset Turnover (x)	3.0	1.9	2.0	2.0	1.8	1.6	1.6
Inventory (Days)	0	0	0	0	0	0	0
Debtors (Days)	59	73	64	62	64	65	67
Creditors (Days)	22	33	25	26	26	26	26
<b>Leverage Ratio (x)</b>							
Net Debt/Equity	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0

### Consolidated – Cash Flow Statement

Y/E March (INR m)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	1,170	1,322	1,720	1,845	1,816	2,113	2,480
Depreciation	78	90	100	153	182	194	222
Direct Taxes Paid	-317	-284	421	-430	-447	-532	-625
(Inc.)/Dec. in WC	-125	-75	-106	-107	-103	-192	-355
Other Items	2	-30	-859	6	-56	-65	-74
<b>CF from Operations</b>	<b>808</b>	<b>1,023</b>	<b>1,276</b>	<b>1,468</b>	<b>1,391</b>	<b>1,518</b>	<b>1,647</b>
(Inc.)/Dec. in FA	-188	-545	-800	-1,058	-400	-1,000	-1,100
<b>Free Cash Flow</b>	<b>620</b>	<b>478</b>	<b>475</b>	<b>410</b>	<b>991</b>	<b>518</b>	<b>547</b>
Change in Investments	-283	-439	-147	-162	0	0	0
Others	-124	24	44	567	75	81	87
<b>CF from Investments</b>	<b>-595</b>	<b>-960</b>	<b>-903</b>	<b>-653</b>	<b>-325</b>	<b>-919</b>	<b>-1,013</b>
Change in Equity	0	0	0	-405	0	0	0
Inc./Dec. in Debt	-36	2	10	-3	0	-1	-1
Dividends Paid	-213	-77	-308	-407	-306	-306	-306
Others	-9	-8	-9	-23	-17	-12	-7
<b>CF from Fin. Activity</b>	<b>-258</b>	<b>-83</b>	<b>-307</b>	<b>-837</b>	<b>-324</b>	<b>-319</b>	<b>-314</b>
<b>Inc./Dec. in Cash</b>	<b>-45</b>	<b>-20</b>	<b>66</b>	<b>-23</b>	<b>742</b>	<b>279</b>	<b>320</b>
Opening Balance	171	111	92	158	167	909	1,188
<b>Closing Balance</b>	<b>126</b>	<b>92</b>	<b>158</b>	<b>135</b>	<b>909</b>	<b>1,188</b>	<b>1,508</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://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

A graph of daily closing prices of securities is available at [www.nseindia.com](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") (Co. Reg. No. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in 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 of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they 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, 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.