

# Vinati Organics

## Estimate changes

TP change

Rating change



Bloomberg	VO IN
Equity Shares (m)	103
M.Cap.(INRb)/(USDb)	165.8 / 2
52-Week Range (INR)	2034 / 1598
1, 6, 12 Rel. Per (%)	-5/-23/-38
12M Avg Val (INR M)	99

## Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Sales	18.1	23.0	28.1
EBITDA	4.5	5.6	7.2
PAT	3.1	4.0	5.2
EPS (INR)	30.5	38.7	50.5
EPS Gr. (%)	-25.1	26.6	30.5
BV/Sh.(INR)	241.2	273.2	315.0

## Ratios

Net D:E	-0.0	0.0	0.0
RoE (%)	13.4	15.0	17.2
RoCE (%)	12.3	13.5	15.6
Payout (%)	17.2	17.2	17.2

## Valuations

P/E (x)	52.9	41.8	32.0
P/BV (x)	6.7	5.9	5.1
EV/EBITDA (x)	36.9	29.9	23.1
Div. Yield (%)	0.3	0.4	0.5
FCF Yield (%)	0.6	-0.2	1.7

## Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	74.1	74.1	74.1
DII	7.6	8.2	7.9
FII	4.7	4.6	4.8
Others	13.7	13.4	13.2

FII Includes depository receipts

**CMP: INR1,613**

**TP: INR1,900 (+18%)**

**Buy**

## Long-term guidance intact; destocking nearly over

- Vinati Organics (VO)'s 3QFY24 revenue came in above our estimate due to better-than-expected sales in IBB and the customized product portfolio. Gross margin contracted 280bp YoY to 47.2%, while EBITDAM was down 300bp YoY to 25.6%. EBITDA was INR1.1b, while PAT stood at INR770m (our est. INR649m) during the quarter.
- Management highlighted that destocking in ATBS is almost over now, and VO expects demand to normalize in the coming months. Management has guided a strong 30% YoY growth in ATBS sales in FY25, with the plant currently running at 60-65% utilization. VO has not lost market share in ATBS because of its long-term contracts with the customers.
- There has been a decent growth in Butyl Phenol, with IBB sales also picking up, and the management expects sales to be higher in FY25. NaATBS and IB sales have also stabilized. Management guided that revenue from AOs would be INR1.0-1.2b in FY24E, with the same set to double in FY25. VO made meaningful inroads in the market despite headwinds over the past 15-18 months.
- Sales mix in 3QFY24 stood at 30% for ATBS, IBB (20%), BP & IB Derivatives (20%), IB (10%), and AO & other products (including customized ones) at 20%. Sustainable EBITDAM would be 25-27%, with revenue CAGR likely to be at 15-20% over the next 2-3 years. Capacities for MEHQ and Guaiacol would be set up by Mar'24, while the rest of the products would be commissioned in 2HFY25.
- We raise our EBITDA estimate by 7% for FY24, while we cut our EPS estimates for FY24/25 by 9%/8%. The stock is trading at ~42x FY25E EPS of INR38.7 and ~30x FY25E EV/EBITDA. We value the stock at 40x Dec'25E EPS to arrive at our TP of INR1,900. **We reiterate our BUY rating on the stock.**

## Beat led by lower-than-expected other expenses; margin improves QoQ

- VO's revenue stood at INR4.5b (our est. at INR4.2b, -13% YoY).
- EBITDA was INR1.1b (est. of INR879m, -22% YoY).
- Gross margin was 47.2% (-280bp YoY), with an EBITDAM of 25.6% (-300bp YoY) during the quarter.
- PAT came in at INR770m (est. of INR649m, -28% YoY).
- **For 9MFY24**, revenue stood at INR13.4b (-16% YoY), EBITDA was INR3.3b (-23% YoY). PAT came in at INR2.3b (-28% YoY).
- EBITDAM for 9MF24 was 24.5% (-240bp YoY).

## Valuation and view

- Veeral Organics Pvt. Ltd. (a wholly owned subsidiary of VO) is set to commence production of MEHQ, Guaiacol, Anisole, 4-MAP, and Iso Amylene. The capacity for MEHQ and Guaiacol is expected to be 3ktpa, with the anisole capacity to be 5ktpa; the same for Iso Amylene is expected to be 30ktpa and 1ktpa for 4-MAP. This should propel VO into the next leg of its growth story.

Aman Chowdhary – Research Analyst (Aman.Chowdhary@MotilalOswal.com)

Abhishek Nigam – Research Analyst (Abhishek.Nigam@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.

- Veeral Additives (VAL) has commenced the commercial supply of AOs. The amalgamation of VO with VAL has been approved by the NCLT. VO is set to become the largest and the only double-integrated manufacturer of AOs in India, with a robust long-term view for the segment.
- Barring the short-term pain in terms of destocking, we continue to believe that VO will do well in the long run. The stock is trading at ~42x FY25E EPS of INR38.7 and ~30x FY25E EV/EBITDA. It had a fixed asset turnover of 2.4x as of FY23. We value the stock at 40x Dec'25E EPS to arrive at our TP of INR1,900. **We reiterate our BUY rating on the stock.**

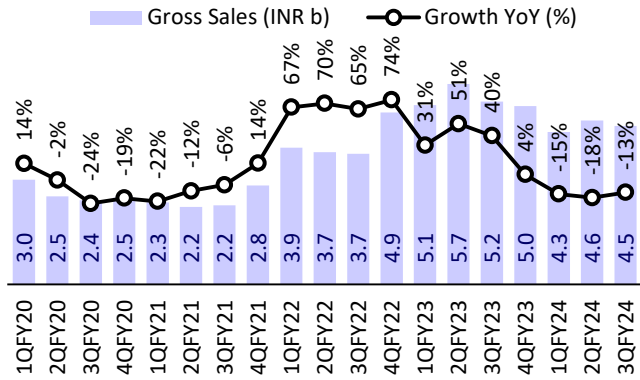
**Standalone - Quarterly Earnings Model**

(INR m)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>5,063</b>	<b>5,663</b>	<b>5,165</b>	<b>5,034</b>	<b>4,310</b>	<b>4,629</b>	<b>4,480</b>	<b>4,702</b>	<b>20,926</b>	<b>18,121</b>	<b>4,185</b>	<b>7%</b>
YoY Change (%)	31.0	51.4	40.0	3.6	-14.9	-18.3	-13.3	-6.6	29.5	-13.4	-17.7	
Gross Margin (%)	45.5%	45.0%	50.0%	50.3%	47.6%	45.8%	47.2%	47.4%	47.6%	47.0%	44.4%	2.7%
<b>EBITDA</b>	<b>1,309</b>	<b>1,485</b>	<b>1,480</b>	<b>1,523</b>	<b>1,090</b>	<b>1,048</b>	<b>1,147</b>	<b>1,187</b>	<b>5,796</b>	<b>4,472</b>	<b>879</b>	<b>31%</b>
Margin (%)	25.8	26.2	28.6	30.3	25.3	22.6	25.6	25.2	27.7	24.7	21.0	4.6
Depreciation	128	130	166	130	132	173	193	203	555	701	140	
Interest	5	0	2	1	3	9	10	8	8	29	2	
Other Income	187	200	113	170	153	106	88	104	669	451	130	
<b>PBT before EO expense</b>	<b>1,363</b>	<b>1,554</b>	<b>1,424</b>	<b>1,561</b>	<b>1,109</b>	<b>972</b>	<b>1,032</b>	<b>1,081</b>	<b>5,902</b>	<b>4,193</b>	<b>866</b>	<b>19%</b>
<b>PBT</b>	<b>1,363</b>	<b>1,554</b>	<b>1,424</b>	<b>1,561</b>	<b>1,109</b>	<b>972</b>	<b>1,032</b>	<b>1,081</b>	<b>5,902</b>	<b>4,193</b>	<b>866</b>	<b>19%</b>
Tax	351	394	355	407	276	247	262	270	1,507	1,055	217	
Rate (%)	25.7	25.3	24.9	26.1	24.9	25.4	25.4	25.0	25.5	25.2	25.1	
<b>Reported PAT</b>	<b>1,012</b>	<b>1,160</b>	<b>1,069</b>	<b>1,154</b>	<b>832</b>	<b>725</b>	<b>770</b>	<b>811</b>	<b>4,395</b>	<b>3,138</b>	<b>649</b>	<b>19%</b>
YoY Change (%)	25.0	42.6	28.4	14.1	-17.7	-37.5	-28.0	-29.7	26.8	-28.6	-48.3	
Margin (%)	20.0	20.5	20.7	22.9	19.3	15.7	17.2	17.2	21.0	17.3	15.5	1.7

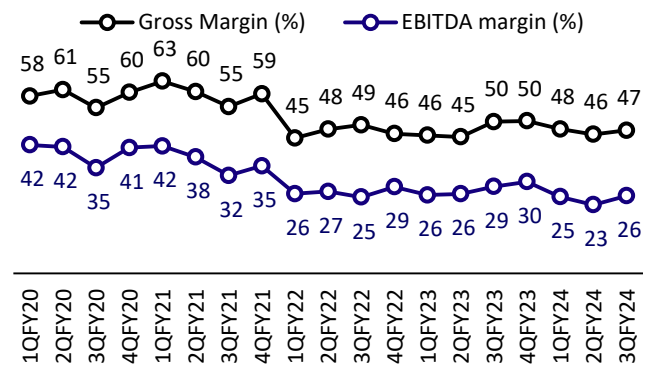
3QFY24 in charts

Exhibit 1: Sales declined 13% YoY



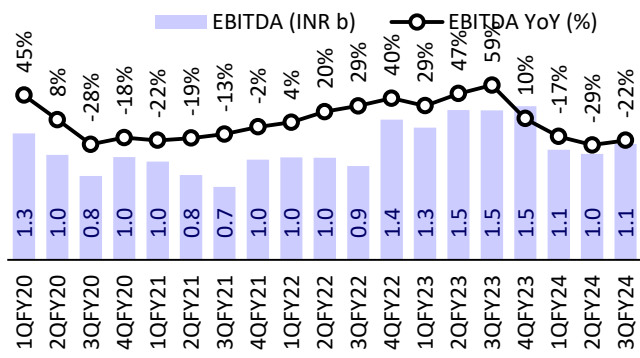
Source: Company, MOFSL

Exhibit 2: GM and EBITDAM both declined YoY



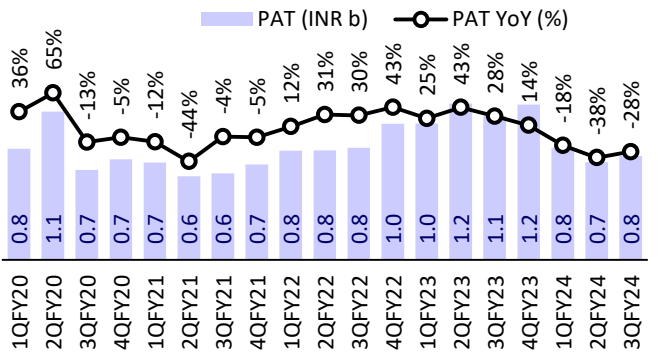
Source: Company, MOFSL

Exhibit 3: EBITDA declined 22% YoY (EBITDAM at 25.6%)



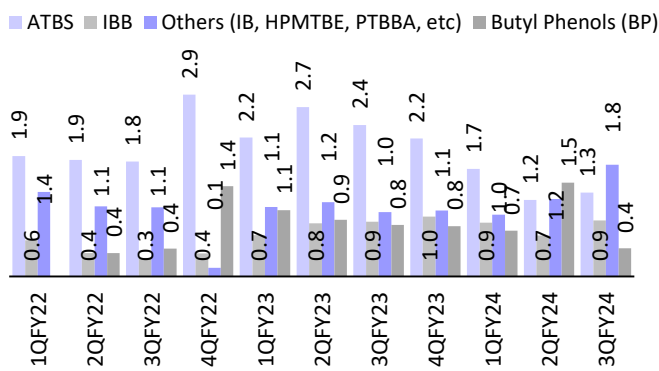
Source: Company, MOFSL

Exhibit 4: PAT down 28% YoY (margin at 17.2%)



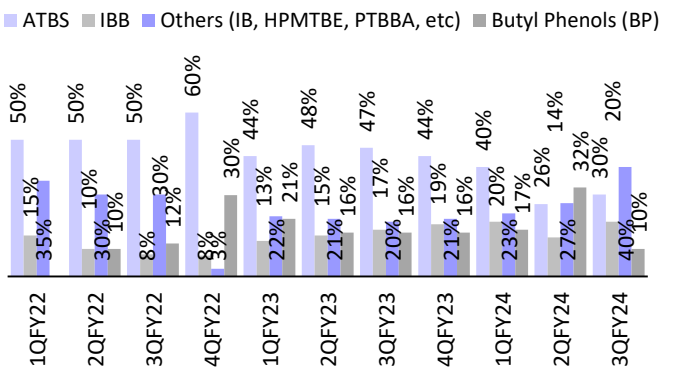
Source: Company, MOFSL

Exhibit 5: Revenue from ATBS decreased YoY...



Source: Company, MOFSL

Exhibit 6: ...with contribution to total revenue at 30%



Source: Company, MOFSL

## Concall highlights

- NCLT sanctioned the scheme of amalgamation of VAL with VO from 1<sup>st</sup> Apr'21. Therefore, numbers restated were of previous periods.
- Expect 4Q numbers to slightly improve or be on similar lines compared to 3Q
- ATBS destocking almost over now
- Capacity expansion of 50% to be completed by Dec'24
- Demand to normalize in coming months
- FY25 sales expected to be 30% higher than in FY24
- ATBS 60-65% utilization rate for 9MFY24
- VO has not lost market share in ATBS because of LT contracts with the customers
- BP has reported a decent growth
- Most of the Di-BP to be captively used to produce AOs
- Sales of IBB also picked up
- Next higher numbers compared to this year
- NaATBS and IB sales also stabilized
- AO business sales to be ~INR1-1.2b (at 25% capacity utilization) in FY24
- Revenue to double in FY25 and reach INR2.5b
- Global market has been going through weakness in past 15-18months
  - But have made meaningful inroads in the market despite headwinds
- Doubly backward-integrated company in AO
- Growth driver for the company
- Full utilization in the next 2-3 years
- Both export and domestic markets are being catered to
- Long-term outlook remains intact
- Domestic demand is 12-14ktpa
- Hindustan Polyamides is a competitor based out of North India (5ktpa capacity)
- VOL
- Total capex of INR4.8b [MEHQ (2ktpa), Guaiacol (1ktpa), 4-MAP (1ktpa), Anisole (5ktpa, making through Phenol and Methanol) and Iso Amylene]
- MEHQ and Guaiacol plant to be commissioned by Mar'24 (to be made through Anisole and Hydrogen Peroxide)
- Rest products to be commissioned by 2HFY25 (by Dec'24)
- RoI @15-20% with ATR @1x, blended margin to be ~20%
- Another 5MW captive power plant to be commissioned in 1HFY25
- Revenue CAGR of 15-20% during the next 2-3 years
- Sales mix in 3QFY24: ATBS: 30%, IBB: 20%, BP and IB derivatives: 20%, IB: 10%, AO and other products (includes customized products): 20%
- FY24'YTD: ATBS 32% IBB 18% others are more or less similar to 3Q
- Sustainable EBITDAM: 25-27%
- Capex of INR3b for FY24'td with INR4.5-5.0b capex for FY25E
- IBB running at 65% with IB running at 100% utilization levels.

Story in charts

Exhibit 7: Expect 11% revenue CAGR over FY23-26

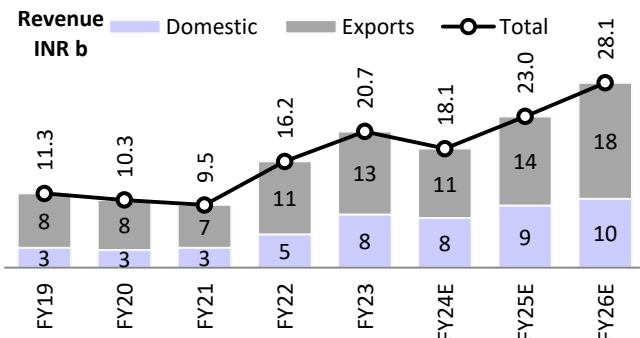


Exhibit 8: Exports likely to dominate going forward as well

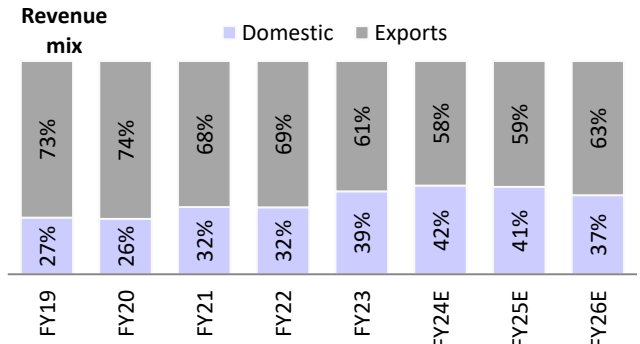


Exhibit 9: EBITDAM to gradually improve over FY24-26...

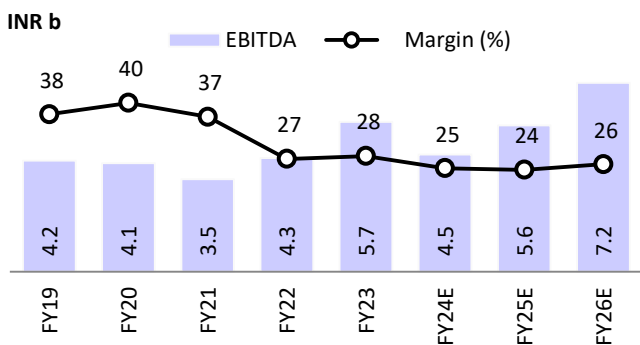


Exhibit 10: ...with PAT also improving

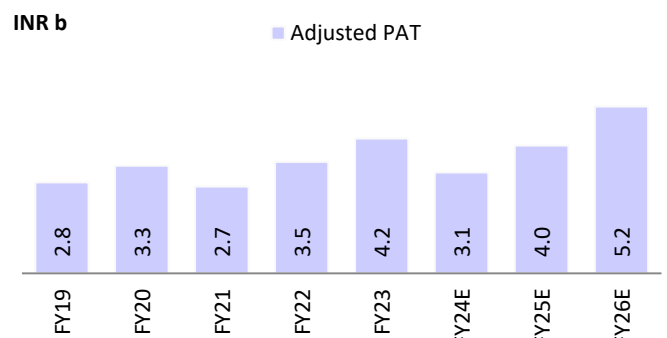


Exhibit 11: Strong operating cash flow at INR12.9b...

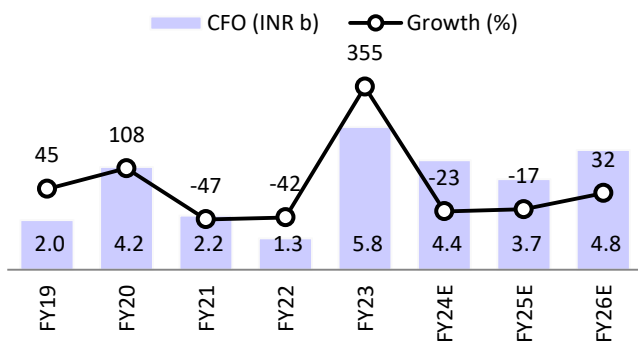


Exhibit 12: Return ratios at 16-17% in FY26E

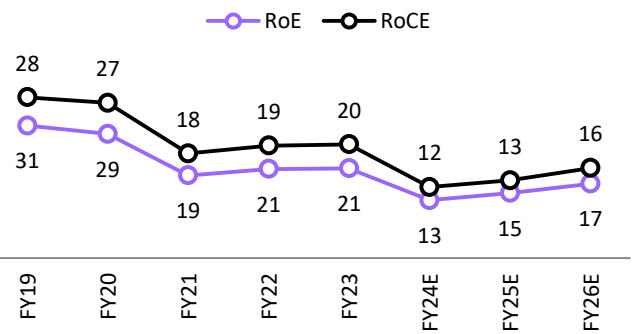
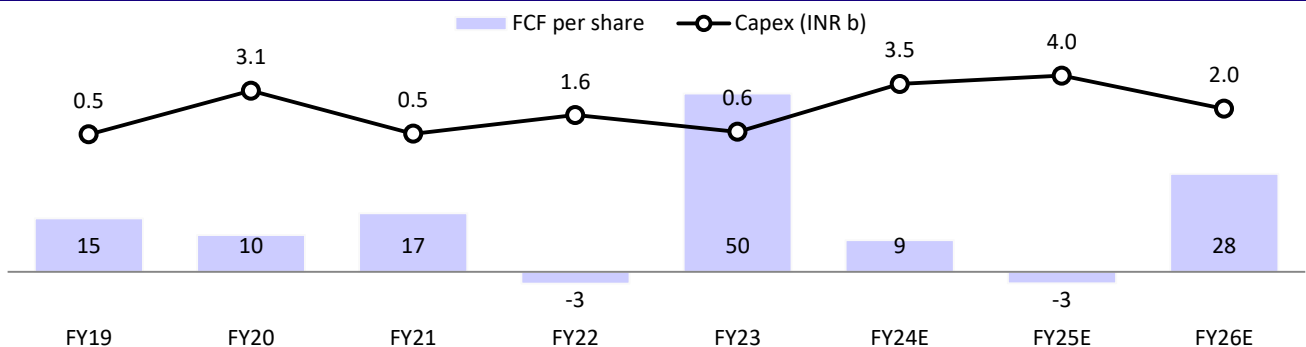


Exhibit 13: Capex for FY24-26 at INR9.5b



Source: Company, MOSL

## Financials and valuations

### Standalone- Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Total Income from Operations</b>	<b>11,279</b>	<b>10,289</b>	<b>9,543</b>	<b>16,155</b>	<b>20,727</b>	<b>18,121</b>	<b>23,014</b>	<b>28,134</b>
Change (%)	52.0	-8.8	-7.3	69.3	28.3	-12.6	27.0	22.2
Gross Margin (%)	53.4	58.3	59.4	46.7	48.2	47.0	47.5	48.5
<b>EBITDA</b>	<b>4,234</b>	<b>4,139</b>	<b>3,525</b>	<b>4,341</b>	<b>5,712</b>	<b>4,472</b>	<b>5,587</b>	<b>7,207</b>
Margin (%)	37.5	40.2	36.9	26.9	27.6	24.7	24.3	25.6
Depreciation	274	332	429	455	590	701	708	715
<b>EBIT</b>	<b>3,960</b>	<b>3,808</b>	<b>3,096</b>	<b>3,886</b>	<b>5,122</b>	<b>3,771</b>	<b>4,879</b>	<b>6,492</b>
Int. and Finance Charges	9	11	2	3	14	29	30	31
Other Income	302	450	259	610	524	451	460	470
<b>PBT bef. EO Exp.</b>	<b>4,252</b>	<b>4,247</b>	<b>3,353</b>	<b>4,493</b>	<b>5,632</b>	<b>4,193</b>	<b>5,310</b>	<b>6,931</b>
<b>PBT after EO Exp.</b>	<b>4,252</b>	<b>4,247</b>	<b>3,353</b>	<b>4,493</b>	<b>5,632</b>	<b>4,193</b>	<b>5,310</b>	<b>6,931</b>
Total Tax	1,428	908	659	1,026	1,440	1,055	1,336	1,745
Tax Rate (%)	33.6	21.4	19.7	22.8	25.6	25.2	25.2	25.2
<b>Reported PAT</b>	<b>2,825</b>	<b>3,338</b>	<b>2,693</b>	<b>3,467</b>	<b>4,192</b>	<b>3,138</b>	<b>3,973</b>	<b>5,186</b>
<b>Adjusted PAT</b>	<b>2,825</b>	<b>3,338</b>	<b>2,693</b>	<b>3,467</b>	<b>4,192</b>	<b>3,138</b>	<b>3,973</b>	<b>5,186</b>
Change (%)	96.3	18.2	-19.3	28.7	20.9	-25.1	26.6	30.5
Margin (%)	25.0	32.4	28.2	21.5	20.2	17.3	17.3	18.4

### Standalone - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	103	103	103	103	103	103	103	103
Total Reserves	10,410	12,691	15,331	18,179	22,085	24,685	27,976	32,272
<b>Net Worth</b>	<b>10,513</b>	<b>12,794</b>	<b>15,434</b>	<b>18,281</b>	<b>22,188</b>	<b>24,787</b>	<b>28,079</b>	<b>32,375</b>
Total Loans	37	3	20	189	69	2,300	2,200	2,200
Deferred Tax Liabilities	846	705	779	900	1,021	1,021	1,021	1,021
<b>Capital Employed</b>	<b>11,395</b>	<b>13,502</b>	<b>16,234</b>	<b>19,370</b>	<b>23,278</b>	<b>28,108</b>	<b>31,299</b>	<b>35,596</b>
Gross Block	5,473	8,551	9,045	10,675	11,354	14,854	18,854	20,854
Less: Accum. Deprn.	728	1,060	1,489	1,944	2,534	3,235	3,943	4,657
<b>Net Fixed Assets</b>	<b>4,745</b>	<b>7,491</b>	<b>7,557</b>	<b>8,732</b>	<b>8,820</b>	<b>11,619</b>	<b>14,911</b>	<b>16,196</b>
Capital WIP	1,912	310	547	473	2,212	2,212	2,212	2,212
<b>Total Investments</b>	<b>965</b>	<b>2,274</b>	<b>2,887</b>	<b>979</b>	<b>2,555</b>	<b>2,555</b>	<b>2,555</b>	<b>2,555</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>4,654</b>	<b>4,355</b>	<b>6,345</b>	<b>10,714</b>	<b>11,884</b>	<b>13,640</b>	<b>14,057</b>	<b>17,610</b>
Inventory	924	932	1,219	1,762	1,909	1,669	2,120	2,592
Account Receivables	2,440	2,018	2,772	4,584	4,696	4,105	5,214	6,374
Cash and Bank Balance	38	537	68	43	83	3,323	954	1,591
Cash and liquid investments	492	1,586	1,762	11	1,219	3,323	954	1,591
Bank Balance	38	0	52	33	59	0	0	0
Loans and Advances	1,252	869	2,285	4,326	5,196	4,543	5,769	7,053
<b>Curr. Liability and Prov.</b>	<b>881</b>	<b>927</b>	<b>1,102</b>	<b>1,527</b>	<b>2,194</b>	<b>1,918</b>	<b>2,436</b>	<b>2,978</b>
Account Payables	531	557	664	1,146	1,179	1,031	1,309	1,601
Other Current Liabilities	211	213	391	328	964	843	1,070	1,308
Provisions	139	157	47	54	51	44	56	69
<b>Net Current Assets</b>	<b>3,774</b>	<b>3,428</b>	<b>5,243</b>	<b>9,187</b>	<b>9,690</b>	<b>11,722</b>	<b>11,621</b>	<b>14,632</b>
<b>Appl. of Funds</b>	<b>11,395</b>	<b>13,502</b>	<b>16,234</b>	<b>19,371</b>	<b>23,277</b>	<b>28,108</b>	<b>31,299</b>	<b>35,596</b>

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>								
EPS	27.5	32.5	26.2	33.7	40.8	30.5	38.7	50.5
EPS Growth (%)	96.3	18.2	-19.3	28.7	20.9	-25.1	26.6	30.5
Cash EPS	30.1	35.7	30.4	38.2	46.5	37.4	45.5	57.4
BV/Share	102.3	124.5	150.2	177.9	215.9	241.2	273.2	315.0
DPS	2.3	5.5	6.0	6.5	7.0	5.2	6.6	8.7
Payout (%)	9.9	31.6	22.9	19.3	17.2	17.2	17.2	17.2
<b>Valuation (x)</b>								
P/E	58.8	49.7	61.6	47.9	39.6	52.9	41.8	32.0
Cash P/E	53.6	45.2	53.2	42.3	34.7	43.2	35.5	28.1
P/BV	15.8	13.0	10.8	9.1	7.5	6.7	5.9	5.1
EV/Sales	14.7	16.1	17.4	10.3	8.0	9.1	7.3	5.9
EV/EBITDA	39.2	40.0	47.1	38.3	29.1	36.9	29.9	23.1
Dividend Yield (%)	0.1	0.3	0.4	0.4	0.4	0.3	0.4	0.5
FCF per share	15.1	10.4	16.5	-3.4	50.3	9.0	-3.2	27.7
<b>Return Ratios (%)</b>								
RoE	30.6	28.6	19.1	20.6	20.7	13.4	15.0	17.2
RoCE	27.9	26.9	18.1	19.5	19.7	12.3	13.5	15.6
RoIC	33.5	31.7	21.5	19.6	21.0	14.7	16.0	17.7
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.4	1.7	1.3	2.0	2.4	1.8	1.7	1.8
Asset Turnover (x)	1.0	0.8	0.6	0.8	0.9	0.6	0.7	0.8
Inventory (Days)	30	33	47	40	34	34	34	34
Debtor (Days)	79	72	106	104	83	83	83	83
Creditor (Days)	17	20	25	26	21	21	21	21
<b>Leverage Ratio (x)</b>								
Current Ratio	5.3	4.7	5.8	7.0	5.4	7.1	5.8	5.9
Net Debt/Equity ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### Standalone - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	4,252	4,247	3,353	4,493	6,153	4,193	5,310	6,931
Depreciation	274	332	429	455	519	701	708	715
Direct Taxes Paid	-1,262	-1,005	-607	-1,081	-1,310	-1,055	-1,336	-1,745
(Inc.)/Dec. in WC	-1,138	811	-874	-2,257	626	555	-1,042	-1,090
<b>CF from Operations</b>	<b>2,003</b>	<b>4,159</b>	<b>2,190</b>	<b>1,271</b>	<b>5,780</b>	<b>4,422</b>	<b>3,669</b>	<b>4,842</b>
(Inc.)/Dec. in FA	-450	-3,094	-490	-1,618	-607	-3,500	-4,000	-2,000
<b>Free Cash Flow</b>	<b>1,553</b>	<b>1,065</b>	<b>1,700</b>	<b>-347</b>	<b>5,172</b>	<b>922</b>	<b>-331</b>	<b>2,842</b>
Change in Investments	-442	-674	127	267	-350	0	0	0
Others	-1,534	1,793	-1,619	-1,206	-2,758	653	-1,227	-1,283
<b>CF from Investments</b>	<b>-2,427</b>	<b>-1,975</b>	<b>-1,982</b>	<b>-2,558</b>	<b>-3,715</b>	<b>-2,847</b>	<b>-5,227</b>	<b>-3,283</b>
Issue of Shares	0	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	0	0	17	164	-182	2,231	-100	0
Interest Paid	-9	-11	-2	-3	-6	-29	-30	-31
Dividend Paid	-278	-1,046	-55	-618	-670	-539	-682	-890
<b>CF from Fin. Activity</b>	<b>-403</b>	<b>-1,090</b>	<b>-31</b>	<b>-464</b>	<b>-856</b>	<b>1,663</b>	<b>-812</b>	<b>-921</b>
<b>Inc./Dec. in Cash</b>	<b>-826</b>	<b>1,094</b>	<b>176</b>	<b>-1,751</b>	<b>1,209</b>	<b>3,239</b>	<b>-2,369</b>	<b>638</b>
Opening Balance	1,318	492	1,586	1,762	11	83	3,322	953
<b>Closing Balance</b>	<b>491</b>	<b>1,585</b>	<b>1,762</b>	<b>10</b>	<b>1,219</b>	<b>3,322</b>	<b>953</b>	<b>1,591</b>

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](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/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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