

BSE SENSEX 84,560	S&P CNX 25,819
----------------------	-------------------



**BLUE STAR**

Bloomberg	BLSTR IN
Equity Shares (m)	206
M.Cap.(INRb)/(USDb)	375.6 / 4.2
52-Week Range (INR)	2420 / 1521
1, 6, 12 Rel. Per (%)	3/6/-17
12M Avg Val (INR M)	1298
Free float (%)	63.5

#### Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	129.2	150.0	174.3
EBITDA	9.7	12.0	14.6
Adj PAT	5.9	7.6	9.6
EBITDA Margin (%)	7.5	8.0	8.4
EPS (INR)	28.7	37.2	46.7
EPS Gr. (%)	1.3	29.8	25.6
BV/Sh (INR)	168.7	196.9	232.7

#### Ratios

Net D/E	0.1	<b>-0.1</b>	<b>-0.1</b>
RoE (%)	17.0	18.9	20.1
RoCE (%)	16.3	18.3	19.6
Payout (%)	31.4	29.6	26.7
<b>Valuations</b>			
P/E (x)	63.5	48.9	38.9
P/BV (x)	10.8	9.2	7.8
EV/EBITDA (x)	38.8	30.9	25.1
Div Yield (%)	0.5	0.6	0.7
FCF Yield (%)	<b>-1.0</b>	2.1	1.6

#### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	36.5	36.5	36.5
DII	25.3	23.4	22.9
FII	16.1	16.2	18.2
Others	22.1	23.9	22.6

FII includes depository receipts

**CMP: INR1,827**

**TP: INR1,950 (+7%)**

**Neutral**

#### Subdued demand; inventory overhang persists

**Focus on RAC market share improvement and better mix in the project business**

Our recent interaction with Blue Star (BLSTR) management indicates that demand for RAC has not seen a meaningful uptick post the changes in GST (from 28% to 18%) implemented from 22<sup>nd</sup> Sep'25. After an initial pick up, unseasonal rains in many parts of the country impacted secondary sales, and inventory levels remained elevated at 60-65 days vs the normal level of 30-35 days. The company increased its market share to over 14% in 1HFY26 and targets to improve it to 15% by FY27E. The Electro-Mechanical Projects & Commercial Air Conditioning (EMPS & CAC) segment is structurally improving, driven by higher-margin data center EPC projects and increased CAC sales. Management expects RAC volumes to remain flat YoY in FY26 and believes that it will perform better than peers.

We recently initiated coverage on BLSTR ([Initiating coverage](#)) with a Neutral rating and an SoTP-based TP of INR1,950 (valued at 50x Dec'27E EPS for UCP, 40x Dec'27E EPS for MEP & CAC, and 25x Dec'27E EPS for PEIS).

#### UCP segment: Demand weak amid inventory overhang and energy label transition expected from 1<sup>st</sup> Jan'26

- There have not been any major changes in RAC demand post the GST rate reduction. Sales initially picked up but were impacted again due to unseasonal rains. Energy-level changes (new BEE rating norms) will be implemented from 1<sup>st</sup> Jan'26, and brands will only be able to sell old models until 31<sup>st</sup> Dec'25. Each energy-level change is expected to result in a 6-7% price increase. Distributors can continue selling old inventories even after 30<sup>th</sup> Jun'26 (there is no mandate requiring old inventories to be liquidated by that date, although it is assumed that inventories will be cleared within six months).
- RAC inventory remains high, currently at 60-65 days vs the normal inventory level of 30-35 days. Most of this inventory is held within the distribution channel. The company remains hopeful that distributors will plan for a 15-20% YoY increase in sales next summer and will start procuring old models (as prices are lower and customers are price sensitive) as well as new models (a segment of customers is willing to pay more for energy-efficient models).
- No major schemes were rolled out in Oct-Nov, although a few brands were seen taking an aggressive approach in December. However, there has not been any aggressive discounting, and the company has reiterated its intent to protect prices. It has not provided working capital support to dealers. Primary sales are expected to pick up in the last 15 days of December.
- Improved inventory planning and cost structure helped the company perform better than most peers in 1HFY26. Segment margin in 2H is expected to be better than 1HFY26. Overall, management remains hopeful about ending the year with flat sales volumes vs last year, while outperforming the industry. The company's RAC market share improved to over 14% in 1HFY26, with a target to increase it to 15% by FY27E.

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

**Research analyst: Mudit Agarwal** (Mudit.Agarwal@MotilalOswal.com) | **Abhishek Sheth** (Abhishek.Sheth@MotilalOswal.com)

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

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

- The company's market share remains the highest in the South at ~19-20%, while its share in the North has reached double digits (vs below 10% a few years ago), driven by an increased distributor reach, affordable launches, and R&D-led cost optimization. Market share in the West remains at pan-India average, while it continues to be at lower levels in the East. Gains in the North were further supported by the launch of affordable premium and later, affordable products.
- Commercial refrigeration recorded modest growth in 1HFY26, with a market size of INR45b, significantly lower than the TAM of RAC. Categories such as deep freezers, visi coolers, chest freezers, and modular cold rooms were impacted by seasonal washouts, limiting growth during the year.
- Overall, the company continues to guide for an 8-8.5% margin for the UCP segment, though FY26 is likely to witness a YoY decline.

### EMPS & CAC: Growing data center exposure and disciplined execution

- The EMPS & CAC segment comprises EPC projects, solution-oriented CAC product sales, maintenance (AMC), and export-linked opportunities. Over the past few years, the company has improved the quality of its order book by reducing exposure to large infrastructure projects, which earlier accounted for ~35%-40% of orders but now stand at ~20%-25%. The company has also become more selective in project execution, focusing on shorter-duration projects of 18-24 months vs over 30 months earlier, leading to better capital efficiency and improved margins.
- Data centers have emerged as a key growth driver within the project business, contributing ~25% of the project order book. The company executes EPC work for data centers, including HVAC, fire safety, MEP layouts, and specialized chillers, under strict technical specifications. In a typical 1 MW project, equipment accounts for ~15%-20% of the cost and land ~15%-20%, while MEP accounts for ~45%-50%. Management expects the EPC business to grow at ~15% YoY over the medium term, while maintaining capital employed at under ~10% of total capital.
- The CAC business, with an estimated market size of around INR50b, continues to grow as a solutions-focused offering. The company is a market leader in ducted ACs with a market share of over 45%. It also leads in the chillers segment and holds the second position in VRF systems, with a market share of ~20%. Increasing contribution from CAC sales, along with a selective approach in EPC execution and a higher share of data center projects, has structurally improved segment profitability. Management has guided for margins of ~7%-7.5%, with quarterly fluctuations driven by the mix between the EPC, products, and services businesses.

### Exports and capital allocation: Steady progress amid tariff challenges

- The export business is being developed primarily through an ODM-led model. Field trials have been completed in the US, and a couple of customers have been onboarded. However, export remains unviable due to high tariffs as of now. Over time, management expects export margins to be similar to domestic product margins.

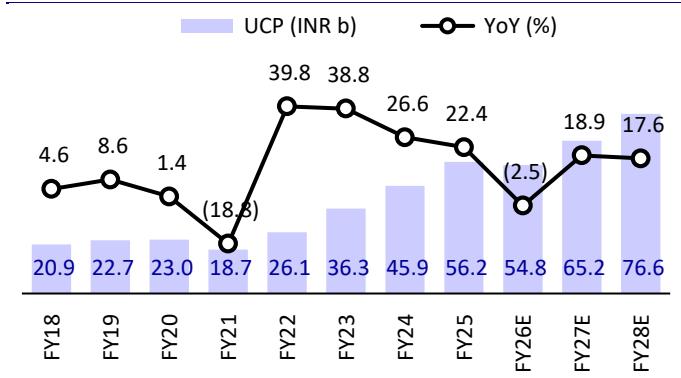
- The company has guided for capex of INR3b–3.5b for FY26 and FY27, directed towards capacity additions, international manufacturing capabilities, R&D, repair and maintenance infrastructure, and IT systems.
- The company also holds around INR2b in cash while maintaining profitability in its professional electronics and industrial systems business, which comprises testing equipment and refurbished medical machinery. This segment's revenue declined in FY25 and 1HFY26 due to the government's regulations on the import of used medical equipment.

### Valuation and view

- We estimate a CAGR of ~16%/23%/28% in revenue/EBITDA/PAT over FY26-28, fueled by continued healthy growth in the MEP and CAC businesses and a recovery in the UCP business. We project OPM to expand ~40-50bp in FY27E/FY28E (each), led by positive operating leverage and cost-saving initiatives. We estimate EBITDA margins at 7.5%/8.0%/8.4% in FY26/27/28 vs 7.3% in FY25. RoE/ROCE is expected at ~20% (each) in FY28 vs ~19% (each) in FY25.
- BLSTR trades at 49x/39x FY27/FY28E EPS (vs. an average of 46x in the last 10 years). We value it at an SoTP-based TP of INR1,950 (valued at 50x Dec'27E EPS for UCP, 40x Dec'27E EPS for MEP & CAC, and 25x Dec'27E EPS for PEIS). Reiterate Neutral.

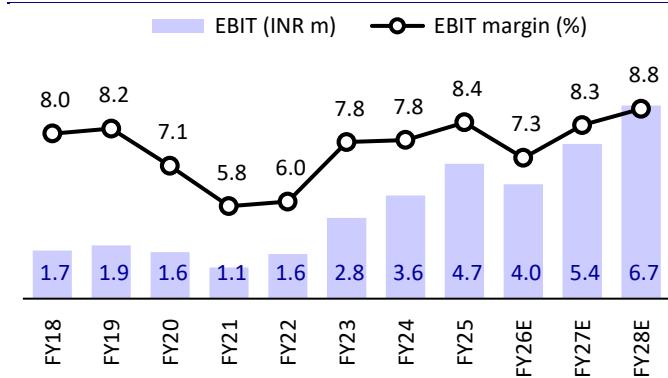
## Story in charts

**Exhibit 1: Estimate UCP revenue CAGR at ~18% over FY26-28**



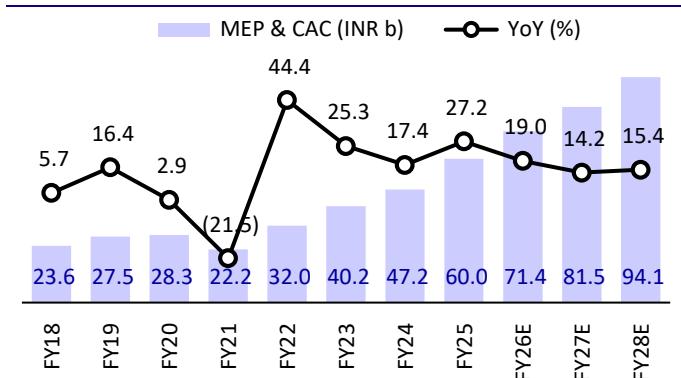
Source: MOFSL, Company

**Exhibit 2: Estimate UCP segment margin in high single digits**



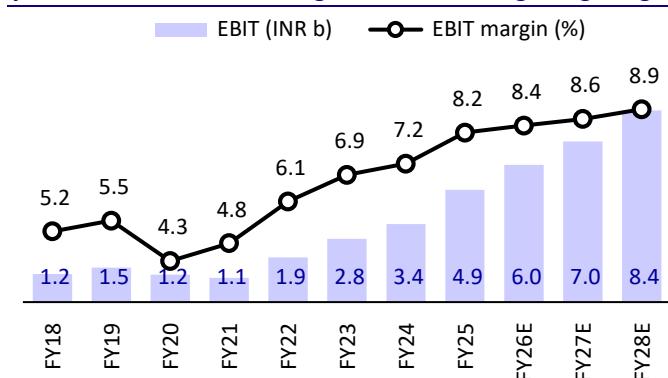
Source: MOFSL, Company

**Exhibit 3: Estimate MEP & CAC revenue CAGR at ~15% over FY26-28**



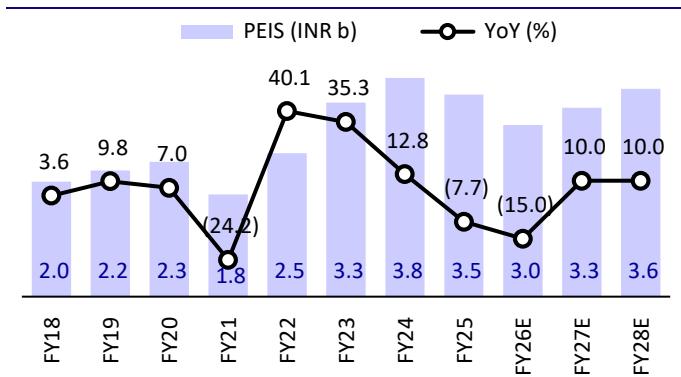
Source: MOFSL, Company

**Exhibit 4: MEP & CAC segment margin expanded over the years; we estimate the margin to remain in high single digits**



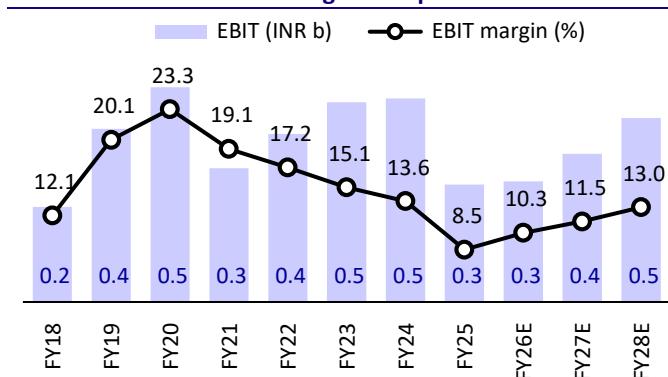
Source: MOFSL, Company

**Exhibit 5: Revenue CAGR estimated at 10% over FY26-28**



Source: MOFSL, Company

**Exhibit 6: Estimate EBIT margin to expand over FY26-28**



Source: MOFSL, Company

Exhibit 7: BLSTR's market share rose in the RAC segment

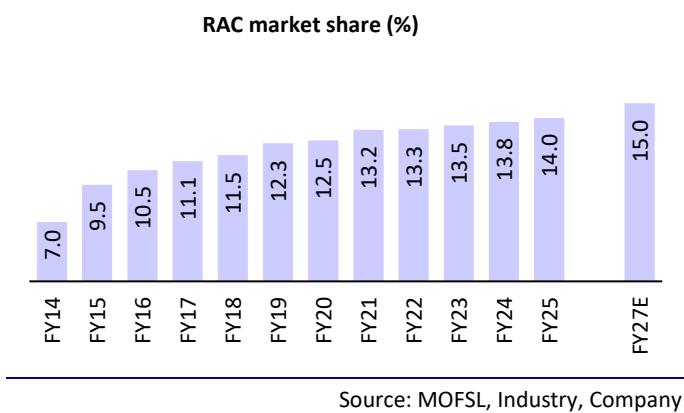


Exhibit 8: BLSTR's regional market share in the RAC industry

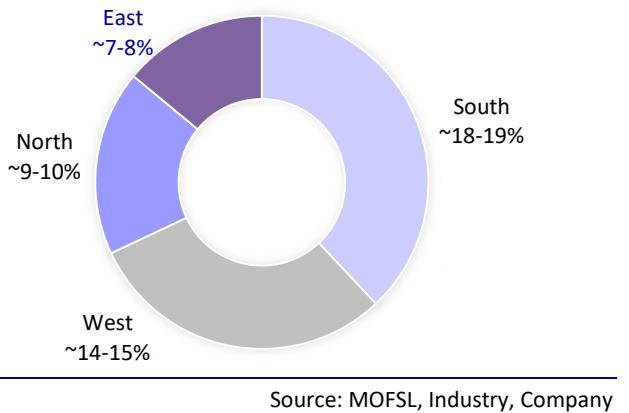


Exhibit 9: One-year forward P/E chart

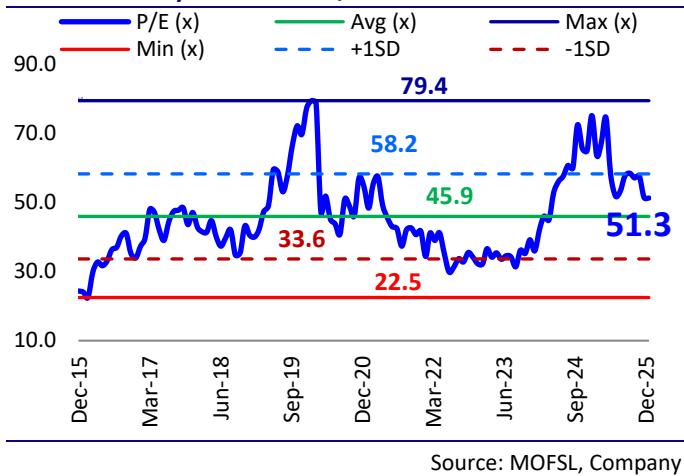
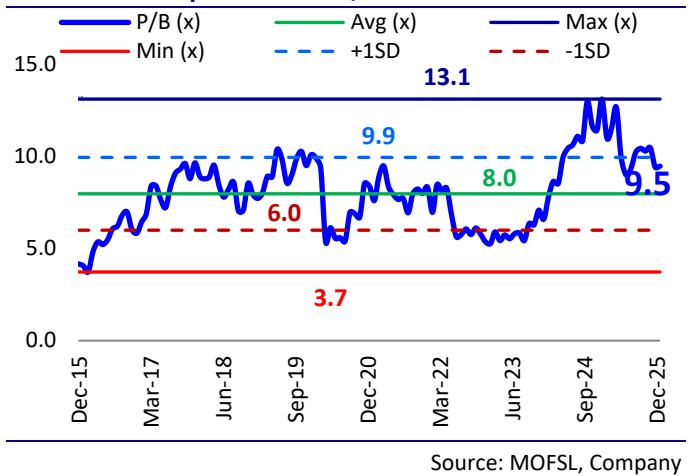


Exhibit 10: One-year forward P/B chart



## Financials and valuations (Consolidated)

Income Statement									(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
<b>Total Revenues</b>	<b>42,636</b>	<b>60,641</b>	<b>79,773</b>	<b>96,854</b>	<b>1,19,677</b>	<b>1,29,156</b>	<b>1,49,972</b>	<b>1,74,319</b>	
Change (%)	-20.5	42.2	31.6	21.4	23.6	7.9	16.1	16.2	
Raw Materials	32,714	47,332	61,817	73,920	90,743	97,513	1,12,479	1,30,217	
Staff Cost	3,818	5,086	5,922	7,495	9,189	10,291	11,835	13,610	
Other Expenses	3,706	4,759	7,107	8,790	10,985	11,624	13,647	15,863	
<b>EBITDA</b>	<b>2,398</b>	<b>3,465</b>	<b>4,928</b>	<b>6,649</b>	<b>8,759</b>	<b>9,728</b>	<b>12,010</b>	<b>14,629</b>	
Change (%)	-15.2	44.5	42.2	34.9	31.7	11.1	23.5	21.8	
% of Total Revenues	5.6	5.7	6.2	6.9	7.3	7.5	8.0	8.4	
Other Income	624	357	309	474	750	517	600	697	
Depreciation	923	860	848	976	1,284	1,726	1,811	1,962	
Interest	647	464	547	581	488	650	630	600	
Exceptional Items	0	0	1,708	0	125	0	0	0	
<b>PBT</b>	<b>1,452</b>	<b>2,498</b>	<b>5,550</b>	<b>5,567</b>	<b>7,863</b>	<b>7,869</b>	<b>10,169</b>	<b>12,765</b>	
Tax	471	829	1,547	1,429	1,937	1,938	2,505	3,144	
Rate (%)	32.4	33.2	27.9	25.7	24.6	24.6	24.6	24.6	
<b>Reported PAT</b>	<b>1,004</b>	<b>1,677</b>	<b>4,005</b>	<b>4,150</b>	<b>5,912</b>	<b>5,894</b>	<b>7,649</b>	<b>9,609</b>	
Change (%)	-30.0	67.1	138.8	3.6	42.5	-0.3	29.8	25.6	
<b>Adj. Consolidated PAT</b>	<b>1,004</b>	<b>1,677</b>	<b>2,773</b>	<b>4,150</b>	<b>5,818</b>	<b>5,894</b>	<b>7,649</b>	<b>9,609</b>	
Change (%)	-31.9	67.1	65.3	49.6	40.2	1.3	29.8	25.6	
Balance Sheet									(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
Share Capital	193	193	193	411	411	411	411	411	
Reserves	8,659	9,983	13,114	25,690	30,239	34,282	40,081	47,428	
<b>Net Worth</b>	<b>8,852</b>	<b>10,176</b>	<b>13,307</b>	<b>26,101</b>	<b>30,650</b>	<b>34,693</b>	<b>40,492</b>	<b>47,839</b>	
<b>Minority Interest</b>	<b>27</b>	<b>30</b>	<b>32</b>	<b>26</b>	<b>26</b>	<b>28</b>	<b>30</b>	<b>32</b>	
Loans	4,548	4,778	5,776	1,666	1,994	4,494	3,994	3,494	
Deferred Tax Liability	-475	-276	-79	-3	46	46	46	46	
<b>Capital Employed</b>	<b>12,952</b>	<b>14,708</b>	<b>19,035</b>	<b>27,790</b>	<b>32,715</b>	<b>39,260</b>	<b>44,561</b>	<b>51,411</b>	
Gross Fixed Assets	7,665	9,017	14,126	18,159	23,154	26,154	29,154	32,154	
Less: Depreciation	3,829	4,689	5,537	6,513	7,797	9,523	11,334	13,296	
<b>Net Fixed Assets</b>	<b>3,836</b>	<b>4,328</b>	<b>8,589</b>	<b>11,645</b>	<b>15,357</b>	<b>16,631</b>	<b>17,820</b>	<b>18,858</b>	
Capital WIP	715	1,523	833	1,271	1,232	1,232	1,232	1,232	
Investments	2,950	1,623	1,481	2,668	4,321	4,285	4,272	4,262	
<b>Curr. Assets</b>	<b>27,519</b>	<b>35,376</b>	<b>43,490</b>	<b>50,526</b>	<b>61,577</b>	<b>69,219</b>	<b>81,742</b>	<b>97,386</b>	
Inventory	8,824	11,442	14,334	14,072	21,492	26,539	24,653	28,655	
Debtors	8,110	11,897	15,488	19,526	19,594	23,000	28,762	33,431	
Cash & Bank Balance	3,322	2,697	2,433	3,774	4,319	1,013	6,653	10,107	
Loans & Advances	7,263	9,340	11,235	13,155	16,172	18,666	21,675	25,194	
<b>Current Liab. &amp; Prov.</b>	<b>22,068</b>	<b>28,143</b>	<b>35,358</b>	<b>38,320</b>	<b>49,771</b>	<b>52,107</b>	<b>60,505</b>	<b>70,328</b>	
Creditors	16,049	20,417	25,112	26,166	34,276	35,385	41,088	47,759	
Other Liabilities	6,019	7,726	10,246	12,154	15,495	16,722	19,417	22,569	
<b>Net Current Assets</b>	<b>5,451</b>	<b>7,234</b>	<b>8,132</b>	<b>12,206</b>	<b>11,806</b>	<b>17,112</b>	<b>21,237</b>	<b>27,059</b>	
<b>Application of Funds</b>	<b>12,952</b>	<b>14,708</b>	<b>19,035</b>	<b>27,790</b>	<b>32,715</b>	<b>39,260</b>	<b>44,561</b>	<b>51,411</b>	

## Financials and valuations (Consolidated)

Ratios								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
Adj EPS	4.9	8.2	13.5	20.2	28.3	28.7	37.2	46.7
Cash EPS	9.4	12.3	17.6	24.9	34.5	37.1	46.0	56.3
Book Value	43.1	49.5	64.7	126.9	149.1	168.7	196.9	232.7
Adj. DPS	2.0	5.0	6.0	7.0	9.0	9.0	11.0	12.5
Payout (%)	41.0	61.3	44.5	34.7	31.8	31.4	29.6	26.7
<b>Valuation (x)</b>								
P/E	372.9	223.1	134.9	90.2	64.3	63.5	48.9	38.9
Cash P/E	194.2	147.5	103.3	73.0	52.7	49.1	39.6	32.3
EV/EBITDA	73.6	51.2	36.2	56.0	42.5	38.8	30.9	25.1
EV/Sales	4.1	2.9	2.2	3.8	3.1	2.9	2.5	2.1
Price/Book Value	42.3	36.8	28.1	14.3	12.2	10.8	9.2	7.8
Dividend Yield (%)	0.1	0.3	0.3	0.4	0.5	0.5	0.6	0.7
<b>Profitability Ratios (%)</b>								
RoE	11.3	16.5	20.8	15.9	19.0	17.0	18.9	20.1
RoCE	10.8	13.3	16.6	16.5	18.9	16.3	18.3	19.6
RoIC	14.9	16.8	19.5	19.8	23.4	17.8	22.9	25.8
<b>Turnover Ratios</b>								
Debtors (Days)	69	72	71	74	60	65	70	70
Inventory (Days)	76	69	66	53	66	75	60	60
Creditors. (Days)	137	123	115	99	105	100	100	100
Asset Turnover (x)	3.3	4.1	4.2	3.5	3.7	3.3	3.4	3.4
<b>Leverage Ratio</b>								
Net Debt/Equity (x)	0.1	0.2	0.3	-0.1	-0.1	0.1	-0.1	-0.1
<b>Cash Flow Statement</b>								
(INR m)								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>PBT before EO Items</b>	<b>1,452</b>	<b>2,509</b>	<b>5,554</b>	<b>5,572</b>	<b>7,849</b>	<b>7,869</b>	<b>10,169</b>	<b>12,765</b>
Add : Depreciation	923	860	848	976	1,284	1,726	1,811	1,962
Interest + other income	175	261	(919)	472	80	133	30	(97)
Less : Direct Taxes Paid	(102)	(390)	(927)	(1,363)	(1,816)	(1,938)	(2,505)	(3,144)
(Inc)/Dec in WC	1,051	(2,366)	(2,124)	(2,765)	(516)	(8,612)	1,514	(2,368)
<b>CF from Oper. Incl. EO Items</b>	<b>3,498</b>	<b>874</b>	<b>2,432</b>	<b>2,892</b>	<b>6,881</b>	<b>-822</b>	<b>11,020</b>	<b>9,118</b>
(Inc)/Dec in FA	174	(2,179)	(3,530)	(4,359)	(3,686)	(3,000)	(3,000)	(3,000)
<b>Free Cash Flow</b>	<b>3,672</b>	<b>(1,305)</b>	<b>(1,097)</b>	<b>(1,467)</b>	<b>3,194</b>	<b>(3,822)</b>	<b>8,020</b>	<b>6,118</b>
Investment in liquid assets	(2,569)	1,489	1,713	(887)	(954)	517	600	697
<b>CF from Investments</b>	<b>(2,396)</b>	<b>(690)</b>	<b>(1,817)</b>	<b>(5,246)</b>	<b>(4,640)</b>	<b>(2,483)</b>	<b>(2,400)</b>	<b>(2,303)</b>
(Inc)/Dec in Debt	(21)	217	1,132	(4,157)	432	2,500	(500)	(500)
(Inc)/Dec in Equity	-	-	-	9,834	(5)	-	-	-
Less : Interest Paid	(395)	(411)	(664)	(636)	(329)	(650)	(630)	(600)
Dividend Paid	(12)	(388)	(964)	(1,158)	(1,439)	(1,850)	(1,850)	(2,262)
Others	(291)	(243)	(264)	9,834	(281)	-	-	-
<b>CF from Fin. Activity</b>	<b>(720)</b>	<b>(824)</b>	<b>(759)</b>	<b>13,716</b>	<b>(1,622)</b>	<b>(0)</b>	<b>(2,980)</b>	<b>(3,362)</b>
<b>Inc/Dec of Cash</b>	<b>382</b>	<b>(640)</b>	<b>(144)</b>	<b>11,362</b>	<b>619</b>	<b>(3,306)</b>	<b>5,640</b>	<b>3,453</b>
Add: Beginning Balance	2,939	3,319	2,386	2,275	3,574	4,319	1,013	6,653
<b>Closing Balance</b>	<b>3,322</b>	<b>2,680</b>	<b>2,243</b>	<b>13,637</b>	<b>4,193</b>	<b>1,013</b>	<b>6,653</b>	<b>10,107</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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

#### Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).  
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does 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 an officer, director or employee of subject company(ies).
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(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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 warranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

**Disclaimer:**

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

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

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

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

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

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/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.