

Cello World

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CELLO IN
Equity Shares (m)	221
M.Cap.(INRb)/(USD\$)	105.4 / 1.2
52-Week Range (INR)	674 / 468
1, 6, 12 Rel. Per (%)	-6/-14/-34
12M Avg Val (INR M)	130

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	22.8	25.5	28.9
EBITDA	4.7	6.2	7.4
Adj. PAT	3.1	4.1	4.9
EBITDA Margin (%)	20.6	24.3	25.6
Cons. Adj. EPS (INR)	14.1	18.6	22.1
EPS Gr. (%)	-8	31.8	19.1
BV/Sh. (INR)	115.8	129.1	150.5

Ratios

Net D:E	-0.4	-0.4	-0.5
RoE (%)	13	16	16
RoCE (%)	15	17	17

Valuations

P/E (x)	34	26	22
EV/EBITDA (x)	21	15	13

Shareholding Pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	75.0	75.0	75.0
DII	13.4	14.0	13.5
FII	5.4	5.6	7.5
Others	6.2	5.4	4.0

Note: FII includes depository receipts

CMP: INR477

TP: INR600 (+26%)

Buy

Consumerware mars overall performance

Earnings miss our estimate

- Cello World (CELLO) reported a muted quarter with flat revenue growth due to flat growth in the consumerware segment. Following the implementation of BIS norms, the company has been unable to import products of BIS-compliant quality, resulting in a 40% dip in steelware revenue. Further, the molded furniture segment declined 11% YoY due to weakness in polymer prices, which was partially offset by a 10% growth in the writing instrument segment, led by healthy growth in both export and domestic markets.
- The company expects an 8–10% revenue growth until 1HFY27, with pickup expected after that due to increasing utilization in the glassware plant, stabilization in the steelware business, and growth in the Writing Instruments segment (through Cello and Unomax).
- **Factoring in lower-than-estimated earnings in 3Q and management guidance, we cut our FY26E/FY27E/FY28E earnings by 12%/15%/11%. We reiterate our BUY rating with a TP of INR600 (premised on 27x FY28E EPS).**

Weakness in margins due to operating deleverage

- In 3QFY26, CELLO's consol. revenue remained largely flat YoY, while it declined 5% QoQ to INR5.5b (est. INR6.1b). EBITDA declined ~17%/17% YoY/QoQ to INR1.1b (est. INR1.4b).
- EBITDA margin contracted 380bp/260bp YoY/QoQ to 19.1%, largely due to higher employee costs/other expenses (up 200bp/170bp YoY and 60bp/200bp QoQ). Gross margin contracted 10bp YoY to 49.6%, while it remained flat QoQ.
- Adj. PAT declined ~20%/19% YoY/QoQ to INR692m (est. INR903m). The company had a labor code impact of INR74m.
- Consumerware segment's revenue (70% of total revenue in 3QFY26) remained flat YoY, while it declined 9% QoQ to INR3.9b. Gross margin expanded 20bp YoY.
- Writing instrument segment's revenue (~15% revenue mix) grew 10%/4% YoY/QoQ to INR853m. Further, molded furniture and allied products (~12% of the revenue mix) declined 11%/1% YoY/QoQ to INR830m. The gross margin of writing instruments expanded 210bp YoY, while that of molded furniture and allied products declined 450bp YoY.

Highlights from the management commentary

- **Steelware:** Stockouts in insulated steel products led to a 40% drop in steel revenue; without these constraints, the consumerware segment could have grown ~12% YoY. Although the company had built 6–8 months of inventory post-BIS implementation and sourced from local OEMs, it currently faces product shortages and plans to ramp up production to restore growth.

Meet Jain - Research Analyst Meet.Jain@MotilalOswal.com/ **Sumant Kumar** (Sumant.Kumar@MotilalOswal.com)

Research Analyst: Nirvik Saini (Nirvik.Saini@MotilalOswal.com)/ **Yash Darak** (Yash.Darak@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, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Writing Instruments:** The company expects the Cello brand to start contributing from 4QFY26 and targets combined revenue of INR5b from Cello and Unomax in FY27, with plans to scale this to over INR10b in the following years. Given that stationery forms a relatively small portion of BIC Cello's portfolio, management sees significant growth potential in this segment.
- **Glassware:** The glassware facility is currently operating at ~60% utilization and is expected to remain at similar levels over the next couple of quarters. The company aims to ramp up utilization to ~80% by the end of FY27. At present, the facility is operating at break-even and is not yet profitable.

Valuation and view

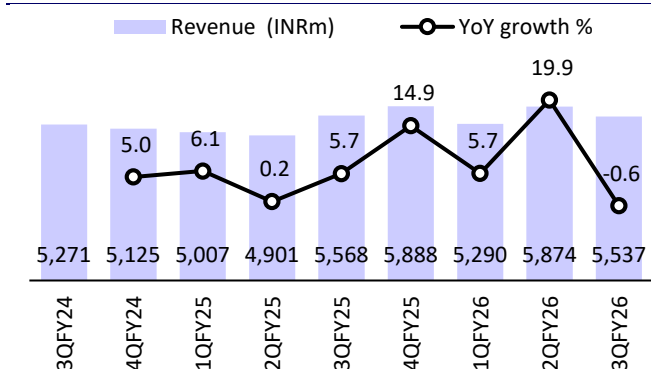
- The company expects sustained healthy growth in the writing instruments segment, supported by the addition of the Cello brand to its portfolio. Meanwhile, the consumerware segment is expected to stabilize from 2HFY27 onward, driven by normalization in steelware and improved capacity utilization in the glassware segment.
- We expect CELLO to register an 11%/13%/13% revenue/EBITDA/Adj. PAT CAGR over FY25-28. **We reiterate our BUY rating with a TP of INR600 (premised on 27x FY28E EPS).**

Consolidated: Quarterly Earnings

Y/E March	FY25				FY26				FY25	FY26E	FY26E	(INRm)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	Var
Gross Sales	5,007	4,901	5,568	5,888	5,290	5,874	5,537	6,050	21,364	22,751	6,072	-9%
YoY Change (%)	6.1	0.2	5.7	14.9	5.7	19.9	-0.6	2.7	6.8	6.5	9.0	
Total Expenditure	3,714	3,715	4,296	4,536	4,200	4,598	4,480	4,775	16,260	18,052	4,713	
EBITDA	1,293	1,186	1,273	1,352	1,091	1,277	1,057	1,275	5,104	4,699	1,360	-22%
Margins (%)	25.8	24.2	22.9	23.0	20.6	21.7	19.1	21.1	23.9	20.7	22.4	
Depreciation	141	148	151	180	186	195	199	210	620	790	205	
Interest	6	3	3	3	1	5	6	5	15	17	1	
Other Income	60	133	124	130	173	136	166	175	447	650	145	
PBT before EO expense	1,206	1,168	1,243	1,299	1,076	1,213	1,018	1,235	4,916	4,541	1,299	
Extra-Ord expense	0	0	0	0	0	0	74	0	0	74	0	
PBT	1,206	1,168	1,243	1,299	1,076	1,213	944	1,235	4,916	4,467	1,299	
Tax	311	300	318	338	269	299	250	314	1,267	1,132	326	
Rate (%)	25.8	25.7	25.6	26.0	25.0	24.7	26.5	25.4	25.8	25.3	25.1	
MI & Profit/Loss of Asso. Cos.	69	51	61	80	76	57	58	83	261	274	70	
Reported PAT	826	816	864	882	730	857	636	838	3,388	3,062	903	
Adj PAT	826	816	864	882	730	857	692	838	3,388	3,117	903	-23%
YoY Change (%)	6.6	2.1	1.8	-0.7	-11.6	4.9	-19.9	-5.0	2.3	-8.0	4.5	
Margins (%)	16.5	16.7	15.5	15.0	13.8	14.6	12.5	13.9	15.9	13.7	14.9	

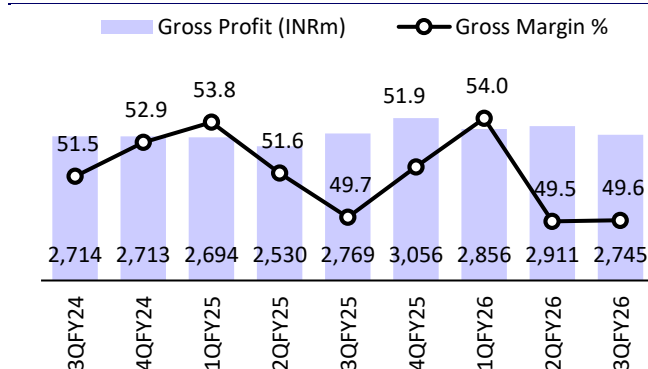
Key Exhibits

Exhibit 1: Consolidated revenue trend



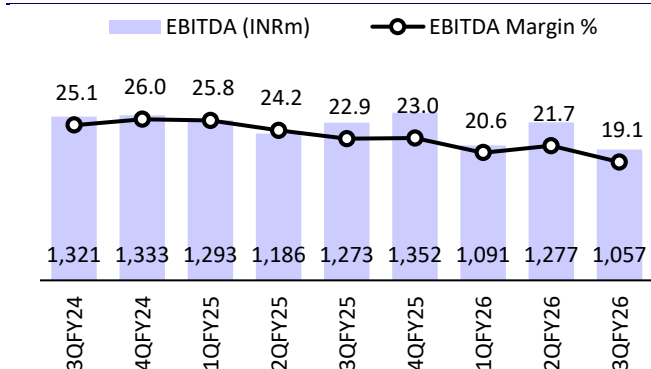
Source: Company, MOFSL

Exhibit 2: Consolidated gross profit trend



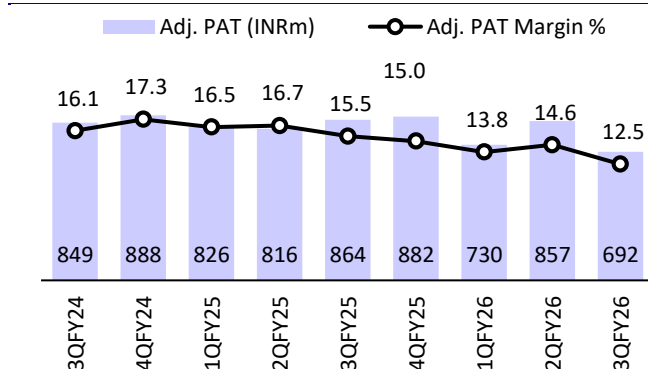
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



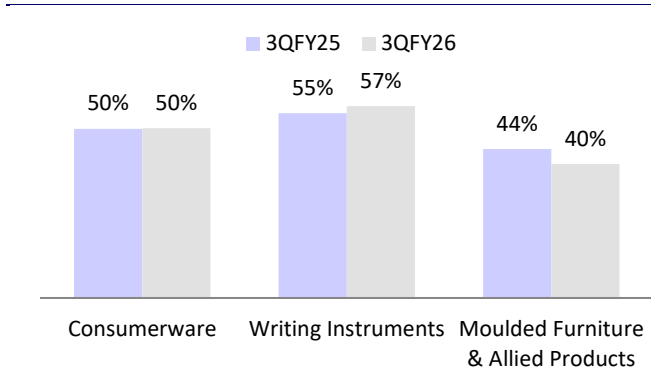
Source: Company, MOFSL

Exhibit 4: Consolidated adj. PAT trend



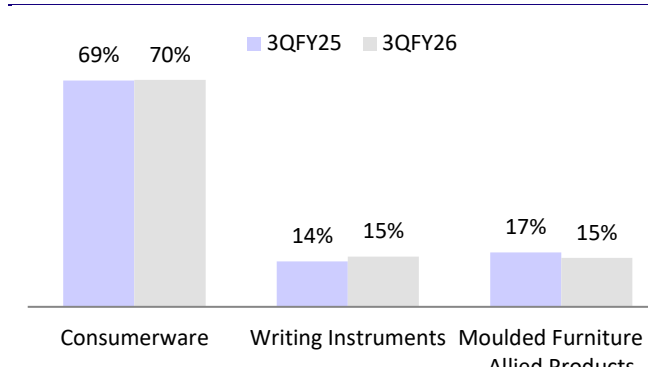
Source: Company, MOFSL

Exhibit 5: Gross margins across segments



Source: Company, MOFSL

Exhibit 6: Segment-wise revenue mix



Source: Company, MOFSL



Highlights from the management commentary

Overview

- Demand environment remains mixed; demand was weaker in December
- The company's priority is to rationalize its portfolio
- There was softness in profitability due to lower steel volumes and softness in profitability
- The company plans to put a sharper emphasis on working capital over the next few quarters
- The company doesn't see any pricing pressure issue as of now – it is working on the manufacturing side, where they can cut costs and optimize

Guidance and outlook

- Profitability is expected to be subdued over the next 2 quarters
- The company expects revenue growth to stabilize post 1HFY27
- The company expects to see a growth of 8-10% in 1HFY27; after that, the company expects to get back to its original revenue and EBITDA.

Consumerware

- The company faced stockouts in insulated steel products, resulting in a 40% decline in steel revenue. Had steel delivered the same growth, significant growth would have been possible. Growth would have been up 12% YoY in the consumerware segment.
- BIS had come in about last January, and the company had built a significant amount of stock. Hence, the company had about six to eight months of stock. Further, CELLO also procured some products locally through some OEMs.
- The company is unable to have all of those products today. However, going forward, the company plans to ramp up its production of these products.
- Two production lines are still operational in the consumerware segment
- In-house manufacturing of steel stands at ~72%
- Gross margin has been down majorly due to steelware and Diwali being preponed.
- The glassware facility operates at ~60% utilization, to remain at this level for the next couple of quarters.
- The company plans to increase capacity utilization to ~80% by the end of FY27.
- Currently, the glassware facility is not profitable; it is only breaking even
- Opalware facility currently operates at ~85% utilization level, the company looks forward to use 100% of its facility before any capex
- Brownfield capex in the opalware facility is not possible; any new greenfield capex at this point would require INR1-1.1b
- Rise in imports in opalware is not very significant
- At peak utilization, opalware can generate a revenue of INR4-4.1b

Writing Instruments

- The company expects a contribution from the Cello brand in 4QFY26
- In FY27, the company expects a revenue of INR5b from both Cello and Unomax combined. Over the next few years, the company would like to scale this revenue to more than INR10b
- Stationery is not a very small part of BIC Cello, leaving a big opportunity for the company
- The Cello brand was bought by CPIW, which is a promoter group entity, and all of the brand is housed there. Two deals had happened. One was the brand deal,

and one was the asset deal. The company was only involved in the brand deal. The assets were bought by a separate company altogether

- The company will require some more machines in the next couple of quarters. This would require a capex of about INR500m to INR600m in this category in the next one year

Molded furniture

- There was a decline due to weak polymer prices and some govt orders last quarter (not reflected this quarter)
- 62% of the total cost is accounted for by the polymer

Others

- Wimplast merger is expected to be completed by 1QFY27
- In 9MFY26, CELLO's distribution channel mix was ~75%/6%/8%/11% for General Trade/Modern Trade/Exports/Online.

Valuation and view

- The company expects sustained healthy growth in the writing instruments segment, supported by the addition of the Cello brand to its portfolio. Meanwhile, the consumerware segment is expected to stabilize from 2HFY27 onward, driven by normalization in steelware and improved capacity utilization in the glassware segment.
- We expect CELLO to register an 11%/13%/13% revenue/EBITDA/Adj. PAT CAGR over FY25-28. **We reiterate our BUY rating with a TP of INR600 (premised on 27x FY28E EPS).**

Exhibit 7: Revisions to our earnings estimates

(INR m)	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	23,886	28,110	31,914	22,751	25,494	28,872	-5%	-9%	-10%
EBITDA	5,291	7,160	8,129	4,699	6,246	7,354	-11%	-13%	-10%
Adj. PAT	3,525	4,832	5,518	3,117	4,108	4,892	-12%	-15%	-11%

Financials and valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	10,495	13,592	17,967	20,003	21,364	22,751	25,494	28,872
Change (%)	NA	29.5	32.2	11.3	6.8	6.49	12.1	13.2
RM Cost	5,214	6,786	8,955	9,484	10,315	11,186	12,110	13,512
Employees Cost	968	1,319	1,576	1,895	2,112	2,470	2,549	2,685
Other Expenses	1,544	2,151	3,231	3,575	3,833	4,397	4,589	5,321
Total Expenditure	7,727	10,256	13,762	14,954	16,260	18,052	19,248	21,518
EBITDA	2,767	3,336	4,205	5,049	5,104	4,699	6,246	7,354
Margin (%)	26.4	24.5	23.4	25.2	23.9	20.7	24.5	25.5
Depreciation	489	476	503	567	620	790	1,036	1,125
EBIT	2,278	2,860	3,702	4,481	4,484	3,908	5,210	6,229
Int. and Finance Charges	23	29	18	26	15	17	0	0
Other Income	101	159	167	299	447	650	700	793
PBT bef. EO Exp.	2,357	2,991	3,852	4,755	4,916	4,541	5,910	7,021
EO Items	0	0	0	0	0	74	0	0
PBT after EO Exp.	2,357	2,991	3,852	4,755	4,916	4,467	5,910	7,021
Total Tax	701	796	1,001	1,189	1,267	1,132	1,487	1,767
Tax Rate (%)	29.8	26.6	26.0	25.0	25.8	25.3	25.2	25.2
Minority Interest	143	155	189	256	261	274	315	362
Reported PAT	1,512	2,040	2,661	3,310	3,388	3,062	4,108	4,892
Adjusted PAT	1,512	2,040	2,661	3,310	3,388	3,117	4,108	4,892
Change (%)	NA	34.9	30.5	24.4	2.4	-8.0	31.8	19.1
Margin (%)	14.4	15.0	14.8	16.5	15.9	13.7	16.1	16.9

Consolidated - Balance Sheet

(INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	0	0	975	1,061	1,104	1,104	1,104	1,104
Total Reserves	-1,068	876	2,390	10,431	20,570	23,466	27,408	32,134
Net Worth	-1,068	876	3,365	11,492	21,674	24,570	28,512	33,239
Minority Interest	1,722	1,851	1,999	2,206	2,411	2,684	2,999	3,361
Total Loans	3,221	4,525	3,261	3,627	5	0	0	0
Deferred Tax Liabilities	82	84	84	126	152	152	152	152
Capital Employed	3,957	7,336	8,709	17,452	24,242	27,406	31,663	36,752
Gross Block	2,901	2,898	3,388	4,857	8,013	8,913	9,919	10,545
Less: Accum. Deprn.	309	312	671	1,238	1,858	2,648	3,684	4,810
Net Fixed Assets	2,592	2,586	2,717	3,619	6,155	6,265	6,234	5,735
Capital WIP	43	145	256	1,800	188	788	533	307
Total Investments	1,197	1,500	1,769	1,698	5,996	5,996	5,996	5,996
Current Investments	747	1,150	1,263	1,141	5,688	5,688	5,688	5,688
Curr. Assets, Loans&Adv.	7,633	9,106	10,774	12,601	14,079	16,675	21,497	27,655
Inventory	3,069	3,765	4,298	4,622	5,246	5,586	6,260	7,089
Account Receivables	3,714	4,067	4,623	6,106	6,578	6,545	7,334	8,306
Cash and Bank Balance	325	547	499	651	876	3,075	6,257	10,396
Loans and Advances	525	726	1,354	1,223	1,379	1,469	1,646	1,864
Curr. Liability & Prov.	7,508	6,000	6,808	2,266	2,176	2,318	2,597	2,941
Account Payables	984	1,255	1,342	1,442	1,502	1,600	1,793	2,030
Other Current Liabilities	6,471	4,685	5,428	783	604	643	721	817
Provisions	53	60	39	41	70	75	84	95
Net Current Assets	125	3,106	3,966	10,335	11,902	14,357	18,900	24,714
Appl. of Funds	3,957	7,336	8,709	17,452	24,242	27,406	31,663	36,751

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	7.1	9.6	12.5	15.6	15.3	14.1	18.6	22.1
Cash EPS	9.4	11.9	14.9	18.3	18.9	18.4	23.3	27.2
BV/Share	NA	4.1	15.9	54.1	102.1	115.8	129.1	150.5
DPS	0.0	0.0	0.0	0.8	0.8	0.8	0.8	0.8
Payout (%)	0.0	0.0	0.0	4.8	4.9	5.4	4.0	3.4
Valuation (x)								
P/E	67.0	49.6	38.0	30.6	31.1	33.8	25.6	21.5
Cash P/E	50.6	40.2	32.0	26.1	25.3	25.9	20.5	17.5
P/BV	NA	115.5	30.1	8.8	4.7	4.1	3.7	3.2
EV/Sales	9.2	7.8	5.4	5.3	4.7	4.4	3.8	3.2
EV/EBITDA	35.0	31.8	22.9	20.9	19.8	21.1	15.4	12.6
Dividend Yield (%)	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2
FCF per share	8.7	6.4	6.4	-1.6	4.3	8.2	12.0	15.9
Return Ratios (%)								
RoE	NA	232.8	79.1	28.8	15.6	12.7	15.5	15.8
RoCE	NA	58.7	47.6	33.0	19.9	14.7	16.7	17.0
RoIC	NA	55.7	48.4	34.5	21.8	16.8	21.4	23.9
Working Capital Ratios								
Fixed Asset Turnover (x)	3.6	4.7	5.3	4.1	2.7	2.6	2.6	2.7
Asset Turnover (x)	2.7	1.9	2.1	1.1	0.9	0.8	0.8	0.8
Inventory (Days)	107	101	87	84	90	90	90	90
Debtor (Days)	129	109	94	111	112	105	105	105
Creditor (Days)	34	34	27	26	26	26	26	26
Leverage Ratio (x)								
Current Ratio	1.0	1.5	1.6	5.6	6.5	7.2	8.3	9.4
Interest Cover Ratio	100.1	100.4	210.8	175.5	308.7	236.7	NA	NA
Net Debt/Equity	NA	3.2	0.4	0.2	-0.3	-0.4	-0.4	-0.5

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	2,357	2,991	3,852	4,750	4,913	4,541	5,910	7,021
Depreciation	489	476	503	567	620	790	1,036	1,125
Interest & Finance Charges	22	26	14	26	15	-633	-700	-793
Direct Taxes Paid	-681	-843	-1,010	-1,160	-1,200	-1,132	-1,487	-1,767
(Inc)/Dec in WC	-221	-728	-1,150	-1,667	-1,309	-256	-1,360	-1,675
CF from Operations	1,966	1,923	2,210	2,516	3,038	3,311	3,398	3,912
Others	-29	-50	64	-204	-421	0	0	0
CF from Operating incl EO	1,936	1,873	2,274	2,312	2,617	3,311	3,398	3,912
(Inc)/Dec in FA	-248	-516	-1,032	-2,649	-1,668	-1,500	-750	-400
Free Cash Flow	1,688	1,356	1,242	-337	949	1,811	2,648	3,512
(Pur)/Sale of Investments	0	0	0	0	0	0	0	0
Others	-126	-2,075	-4,527	228	-3,836	650	700	793
CF from Investments	-375	-2,592	-5,559	-2,421	-5,504	-850	-50	393
Issue of Shares	0	0	-151	0	7,131	0	0	0
Inc/(Dec) in Debt	1,775	1,254	-1,264	191	-422	-5	0	0
Interest Paid	-15	-16	-5	-22	-11	-17	0	0
Dividend Paid	-1	-60	-96	-46	-386	-166	-166	-166
Others	-3,086	-237	4,754	138	-3,200	-74	0	0
CF from Fin. Activity	-1,328	941	3,238	260	3,112	-262	-166	-166
Inc/Dec of Cash	233	222	-47	151	225	2,199	3,183	4,139
Opening Balance	91	325	547	499	651	876	3,075	6,257
Closing Balance	325	547	499	651	876	3,075	6,257	10,396

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

NOTES

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at

<http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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